

FRANCHISE DISCLOSURE DOCUMENT



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The Property Management Incorporated Franchise, LLC (“PMI”) business model offers a broad spectrum of community association, commercial, residential, and vacation/short-term rental property management and real estate services. As a franchisee, you will operate a PMI business, in a specific geographic area, using PMI’s name, logo, and other trademarked and copyrighted materials, procedures, software solutions, property management software, processes, and systems.

The total investment necessary to begin operation of a PMI franchise will range from \$~~70,125~~77,239 to \$~~148,000~~153,775. This includes \$~~65~~5,575 to \$~~92~~9,975 that must be paid to the franchisor or affiliate before the Business opens.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Mr. Steven Hart at 2901 W Bluegrass Blvd, Ste. 420, Lehi, Utah 84043, via telephone at (801) 407-1301 or via email at info@PropertyManagementInc.com.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, such as an attorney 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: March 1, 2025

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/or~~ minimum marketing spend payments~~marketing fund payments~~, regardless of your sales levels. Your inability to make these payments may result in termination of your franchise and loss of your investment.

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.

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EXHIBITS

- Exhibit A – List of State Agencies/Agents for Service of Process
- Exhibit B – Franchise Agreement
- Exhibit C – Operations Manual: Table of Contents
- Exhibit D – Current Franchisees
- Exhibit E – Franchisees That Have Left the System
- Exhibit F – State-Specific Addenda
- Exhibit G – Financial Statements
- Exhibit H – State-Effective Dates and Receipts

ITEM 1: THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this Franchise Disclosure Document (sometimes referred to herein as “**Disclosure Document**”), “we,” “us,” “PMI,” “Property Management Incorporated,” “our” or “Property Management Inc.” means Property Management Incorporated Franchise, LLC, the franchisor (“**Franchisor**”), and “you” or “your” means the person or entity that buys the franchise (“**Franchisee**”). If an entity is the Franchisee, “you” and “your” includes the individuals that have ownership or membership rights in the Franchisee entity.

Each PMI franchise is independently owned and operated. The franchisee is not an agent, employee, joint venturer, or partner of PMI. PMI does not exercise direct control over the day-to-day operations of the franchisee’s business. The franchisee is solely responsible for all decisions regarding its business operations, including compliance with all applicable laws, hiring and managing employees, financial obligations, and customer interactions. The franchisor provides branding, operational support, and system standards but does not assume liability for the franchisee’s business activities or legal compliance.

Franchisor, Parents, Predecessors, and Affiliates

We are a Wyoming limited liability company, formed on March 21, 2008, and we conduct business under the following names: Property Management Incorporated Franchise, LLC, Property Management Incorporated, PMI, and Property Management Inc. We do not do business under any other name. We maintain a principal office address at 2901W Bluegrass Blvd, Ste 420, Lehi, Utah 84043. Our telephone number is (801) 407-1301.

PMI has no predecessors or parent companies. However, PMI has affiliated companies (“**Affiliate(s)**”). PMI Investments, LLC, (“**PMI Investments**” or “**PMII**”) a Wyoming limited liability company, is our Affiliate and was formed on March 21, 2008, and has a mailing address of 2901 W Bluegrass Blvd, Ste 420, Lehi, Utah 84043. PMI MM, Inc., a Wyoming corporation, also located at 2901 W Bluegrass Blvd, Ste 420, Lehi, Utah 84043, is PMI’s manager and is also an Affiliate, and was formed on March 21, 2008. PMI and PMI Investments were originally formed as Nevada limited liability companies and were transferred to Wyoming limited liability companies in early 2016. PMI MM, Inc. was originally formed as a Nevada corporation and was transferred to a Wyoming corporation in early 2016. PMI International, LLC (“**PMI International**”), a Wyoming limited liability company, is also an Affiliate and was formed on January 27, 2017, with a mailing address of 2901 W Bluegrass Blvd, Ste 420, #104, Lehi, Utah 84043. PMI of Utah, LLC, a Utah limited liability company, is an Affiliate and was formed June 28, 2011, and has a mailing address of 2901 W Bluegrass Blvd, Ste 420, Lehi, UT 84043. PMI Ventures, LLC (“**PMI Ventures**”), a Wyoming limited liability company, is also our ~~affiliate~~Affiliate, and has a mailing address of 2901 W Bluegrass Blvd, Ste 420, Lehi, Utah 84043. Our Chief Executive Officer, Steven Hart, co-owns and our Chief Operations Officer, Jeremiah Cundiff, manages PB Publishing Group, LLC (“**PB Publishing**”), which is an approved supplier of educational and training content that PB Publishing licenses to us (“us” defined as PMI) and an outside publisher. PB Publishing maintains its principal place of business at 2901 W Bluegrass Blvd, Ste 420, Lehi, Utah 84043. PB Publishing has not offered franchises in any line of business and has never operated a property management business. None of our Affiliates have ever offered franchises for this business.

Our agent for service of process in your state is disclosed in Exhibit A. Neither we nor our Affiliates have ever offered franchises for any other product or service other than those identified in this offering.

The Franchisor's Business

A Franchisee may use our System (as defined below), in a specific, non-exclusive geographic region (“**Territory**”), under the terms of a franchise agreement (in a form similar to the one attached as Exhibit B) (“**Franchise Agreement**”), to establish, operate, and market a property management and real estate services company in a designated Territory (the “**Business**”), to the following industry sectors (collectively, “**Pillars**”):

- **Residential:** single and multi-family homes, apartments, multi-family, condominiums, mobile homes, and other residential dwellings;
- **Commercial:** any property used for commercial purposes, including but not limited to, office space, medical, retail, restaurants, and industrial use;
- **Association:** an association or governing body that manages, governs, or oversees common-interest or community associations, including homeowner, condominium, or commercial owner associations; and
- **Short-Term Rental or STR:** Residential properties used for vacation, corporate and executive housing, relocation, and other short-term rentals; and
- **Brokerage:** buying, selling, referring, and listing real estate transactions.

Additionally, within each Pillar, we use the following terms to describe the individual type of space under management:

- **Door(s):** a Residential or Commercial space with a physical address that may be rented, leased, or sold.
- **Key(s):** a Residential space with a physical address that is rented as a Short-Term Rental.
- **Square Foot (Feet):** a measure of Commercial units Units and the corresponding space, with a physical address that may be rented, leased, or sold.
- **Unit(s):** an individual space with a physical address that is located within a common-interest community or that is managed, governed, or overseen by a cooperative or Association.

PMI Investments owns a proprietary system, that includes service marks, trademarks, trade names, trade dress, logos, copyrighted materials, and other identifiable similar items, (collectively, the “**Marks**”) business techniques, and procedures (the Marks, business techniques, and procedures are collectively referred to herein as the “**System**”) that you will use to operate a franchised property management services Business. The property management services you will provide, based on your Pillar, include, but are not limited to: advice and assistance in leasing real estate property, communications with tenant and landlord, collecting rent, setting up and overseeing repair and maintenance contracts, brokerage services, property review, paying bills, maintaining property insurance, handling evictions, association and community management, hospitality services for short term rentals, and providing monthly, quarterly, and annual financial reports. We have offered the franchise described in this disclosure document since 2008 and have conducted the type of business you will operate since 2010. ~~A PMI Affiliate currently owns two franchises that use our System. PMI Investments does not currently operate such Businesses.~~ We and our Affiliates reserve the right in the future to open similar businesses using the System and the Marks.

At the present time, we do not have any other operating businesses.

Aaron McElhiney, Executive Director, Acquisitions

Mr. McElhiney has been PMI's Executive Director of Acquisitions since June 2016, based in Lehi, UT.

Orlando Pedrero, Vice President, Franchise Development

Mr. Pedrero has been Vice President of Franchise Development since ~~January 2023, and~~ January 2023 and previously served as our Director of Franchise Development from July 2022 through January 2023. Prior to PMI, Mr. Pedrero served as National Vice President for Realogy, located in Madison, NJ, from December 2020 through June 2022, and as Executive Vice President of Sales and Development for United Real Estate in Dallas, TX from February 2013 through June 2020.

Carina Lorenzana, Executive Director, Multi-Family & Commercial

Ms. Lorenzana has been PMI's Executive Director of Multi-Family and Commercial since February 2024. Prior to PMI, Ms. Lorenzana worked for LeadSimple, based in Brush Prairie, WA, as the Manager of Customer Success from Dec. 2022 to Dec. 2023. Prior to LeadSimple, Ms. Lorenzana worked for Concept Property Management as the Corporate Vice President from July 2006 to Dec. 2022.

Michael Fisher, Vice President, Residential

Mr. Fisher has been PMI's Vice President of Residential since January of 2024. Prior to PMI, Mr. Fisher was an owner/operator of multiple property management locations serving client needs in the single-family residential market since 2007.

Blake Sanford, ~~Executive Director, Association Management~~ Vice President, Association & Strategic Partners

Mr. Sanford has been PMI's Vice President of Association & Strategic Partnerships since September 2024, based in Lehi, UT. From April 2020 to August 2024, Mr. Sanford served as PMI's Executive Director of Association Management.

Marianne Heder, Executive Director, Short-Term Rentals

Ms. Heder has been PMI's Executive Director of Short-Term Rentals since September 2022, based in Lehi, Utah. ~~Prior to September 2022, based in Lehi, Utah.~~ Ms. Heder has worked in Operations for PMI since August 2017.

~~Kathryn Carr, Vice President, Brokerage~~

~~Ms. Carr has been PMI's Vice President of Brokerage since September 2021. Prior to PMI, Ms. Carr worked for Anywhere (formerly known as Realogy), based in Madison, New Jersey, as the Senior Trainer for Century 21, LLC, from September 2017 to September 2021.~~

Greg Allison, Vice President, Marketing

Mr. Allison has been PMI's Vice President of Marketing since September 2022, based in Lehi, Utah. Prior to PMI, Mr. Allison worked as an independent Marketing Consultant at Marcom in Salt Lake City, Utah from 2018 to 2022.

ITEM 3: LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4: BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5: INITIAL FEES

The non-refundable initial franchise fee (“**Franchise Fee**”) depends on the type of franchise you purchase and may differ from the information below if the franchise is located outside of the US.

The Franchise Fee for a franchisee starting a new Business is \$~~59~~64,900.

For non-U.S. residents who have or are obtaining E-2 Investor Visas for the purpose of a franchise located within the US, the Franchise Fee is \$~~909~~85,000 plus a ~~one~~two-year Reserve amount. The funds in this reserve account may be used to fund the acquisition of another property management business if such acquisition is reviewed and approved by PMI’s acquisition department.

For existing property management companies that qualify, we offer a conversion program that may reduce the initial franchise fee. The program is based on gross monthly revenue currently being generated from 3rd party management contracts, not rents and fees for self-owned properties. The Initial Franchise Fee may range from \$0 to \$~~64,900~~\$59,900. In order to qualify for the conversion program, you must have an active property management business with current gross monthly revenue ~~must exceeding~~be above \$5,000 in gross monthly revenue from managed ~~third-party~~third-party properties.

Non-refundable initial fees and payments for services or goods received from the Franchisor or its Affiliates that may apply before the Business opens range from \$~~65~~1,575 - \$~~92~~1,975~~50~~, and are listed below. Non-refundable initial fees and payments for services or goods received from the Franchisor or its Affiliates are also identified in Item 6, Other Fees, and reflect the symbol †.

~~\$64~~64,900~~\$59,900~~ - \$~~90~~85~~90,000~~\$ 85,000 Initial Franchise Fee

\$ ~~675~~ - \$ 27,975 PMI Hardware and Software

~~\$1,000~~ - \$1,000 Annual Summit Deposit & Fee

~~\$656,575~~\$ 61,575 - \$~~932,975~~ TOTAL~~675~~ - \$2,975\$ 5,950 - PMI hardware and software, PMi Programs

ITEM 6: OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty†	<p>Monthly: (i) 5.0% of Brokerage plus (ii) a tiered percentage of Gross Revenue (the greater of 7% or \$350; \$700, \$1,050 based on TSQ), on Gross Revenue up to \$35,000; plus 6% of Gross Revenue from \$35,001-\$75,000; plus 5% on Gross Revenue above \$75,001, plus (iii) 0.5% of rents collected on self-owned rental Doors and Suites, and 1% booking revenue collected on self-owned</p> <p>Keys. Monthly: (i) 5.0% of Brokerage plus (ii) a tiered percentage of Gross Revenue, with a minimum monthly royalty based on months of operation: \$350 through month 23, \$700 from month 24-35, and \$1,050 from month 36 and beyond. The tiered percentages apply as follows: 7% on Gross Revenue up to \$35,000, 6% on Gross Revenue from \$35,001 to \$75,000, and 5% on Gross Revenue above \$75,001. (iii) 0.5% of rents collected on self-owned rental Doors and Square Feet, and 1% of booking revenue</p>	<p>Payable monthly; due on the 15th of each calendar month. Gross Revenue and Brokerage must be reported by the 15th of each month.</p>	<p>See Notes (1), (2) and (3). The fees shall be automatically debited from your bank account via Electronic funds transfer (“EFT”).</p>

<u>Type of Fee</u>		<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
<u>Royalty†</u>		Monthly: (i) 5.0% of Brokerage plus (ii) a tiered percentage of Gross Revenue, with a minimum monthly royalty based on months of operation: \$350 through month 23, \$700 from month 24-35, and \$1,050 from month 36 and beyond. The tiered percentages apply as follows: 7% on Gross Revenue up to \$35,000, 6% on Gross Revenue from \$35,001 to \$75,000, and 5% on Gross Revenue above \$75,001. (iii) 0.5% of rents collected on self-owned rental Doors and Square Feet, and 1% of booking revenue collected on self-owned Keys.	Payable monthly; due on the 15 th of each calendar month. Gross Revenue and Brokerage must be reported by the 15 th of each month.	See Notes (1), (2), and (3).
	<u>National Marketing Fund†</u>	2.0% of Gross Revenue.	Payable monthly; due on the 15 th of each calendar month.	See Note (4) and Item 11.
	<u>Local Advertising</u>	Minimum of \$1,500 per month and \$1,000 per month for each additional pillar. (Digital Marketing Program† counts toward the \$1,500 and \$1,000 per month minimum.)	Payable monthly; due on the 15 th of each calendar month.	As required, according to marketing channels used, but any amounts owed to us are due on the 1st of each calendar month.
	<u>National Marketing Fund†</u>	2.0% of Gross Revenue.	Payable monthly; due on the 15 th of each calendar month.	See Note (4) and Item 11.
	<u>Local Advertising</u>	Minimum of \$1,500 per month and \$1,000 per month for each additional pillar.	As required, according to marketing channels used.	See Note (5) and Item 11.
	<u>Digital Essential Package†</u>	Monthly: Presently \$740 per month for your Primary Pillar, and \$250 per month thereafter.	Payable monthly; due on the 15 th of each calendar month.	See Note (6)
	<u>Digital Essentials Package</u>	Monthly: Presently \$740 per month for your Primary Pillar, and \$250 per month thereafter.	Payable monthly; due on the 15 th of each calendar month.	See Note (6)

<u>Type of Fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
PMiBOOKS Bookkeeping Program†	No PmiBooks PMiBOOKS Fee to be charged until the first Door, Unit, Key, or Square Foot is in place; thereafter, the current minimum monthly fee is: (i) for Doors and Square Feet, the greater of \$15 per Door/Commercial u Unit managed or \$100; (ii) for Units, the greater of: (a) 20% of the management fee the Franchisee is paid for managing Units or (b) \$75 per Association plus an initial \$3.00 per Unit setup fee; and (iii) for Keys, presently, the greater of (a) \$65 per key managed or (b) \$325, and a \$250 onboarding fee.	Mandatory until you have completed all training and assignments deemed necessary for you to demonstrate the ability to manage your company's bookkeeping; payable monthly on the 1st day of each calendar month.	<u>See Note</u> (7) and Item 11.
PMiSOFT Software (for franchisees that manage Residential and/or Commercial properties)	Presently, no per Door monthly fee.	No due date.	<u>See Note</u> (8) and Item 8 and 11.
PMiWARE Software† (for franchisees that manage Associations)	Presently, \$35 per Association and a one-time setup fee of \$500.	Payable monthly; due on the 1st of each calendar month via EFT.	<u>See Note</u> (9) and Item 8 and Item 11.

Type of Fee	Amount	Due Date	Remarks
PMiSTR Software (for franchises that manage Short-Term Rentals)	<p>Presently, a one-time set-up fee of \$1,750 for 1-5 keys or \$1,950 for 5+ Keys, (for EPMC franchisees, the set-up fee is generally \$250 per Key and the initial setup fee); and (i) a monthly software user fee that is the greater of (a) \$50 flat fee or (b) \$21.95 per key for keys 1-10, \$18.95 for keys 11-30, \$15.95 per key for keys 31-50, and \$12.95 for keys 51+. For more than 2 users, there is a \$5.00 per additional users per month fee. Monthly: A one-time \$500 setup fee applies, with a per-key fee structured as follows: \$40 per key for up to 5 keys, \$35 per key for 6 to 15 keys, \$30 per key for 16 to 50 keys, \$27 per key for 51 to 100 keys, and \$24 per key for more than 100 keys. Once the number of keys reaches a specified range, all keys are billed at that range's rate. For example, a franchise with 7 keys would be billed a one-time \$500 setup fee plus \$35 per key for all 7 keys, totaling \$745. Additionally, optional add-on bundles are available starting at \$40.</p>	<p>Payable to us at time of set-up; thereafter, monthly; due on the 1st day of each calendar month via EFT. As Invoiced by Partner.</p>	<p><u>See</u> Note (10) and Item 8 and Item 11.</p>
Accounting Software	<p>Presently, a monthly fee of \$30 – \$200+60 (based on subscription and other costs dictated by Intuit)</p>	<p>Payable on the 1st of each month of each calendar month via EFT.</p>	<p><u>See</u> Note (2523) and Item 8 and Item 11.</p>

PMiPrograms†	<u>Presently, a monthly fee of \$65. Monthly fee applies at the greater of \$89 or \$1.20 per property unit, plus additional charges for extra services as follows: Inbox Add-on is \$49 per month plus \$0.45 per property unit, inbound numbers are charged at \$4.00 per number, call minutes at \$0.05 per minute (with 250 minutes included), and text messages at \$0.025 per text (with 250 messages included), phone carrier registration is \$19.00, and phone carrier campaign maintenance is \$1.50.</u>	<u>Payable monthly; due on the 15th of each calendar month.</u>	<u>See Note (11) and Item 8 and Item 11.</u>
Audit Fee†	If Brokerage or Gross Revenue is understated by 5% or more, you pay the costs of audit, a charge of 50% of the understated amount, plus the Royalties and fees (plus interest) that would have been owed on the understated amount.	On demand.	<u>See Note (12).</u>

Type of Fee	Amount	Due Date	Remarks
Transfer Fee†	Presently, \$12,000.	Payable immediately at time of transfer.	<u>See</u> Note (13).
Franchise Renewal†	Presently, \$10,000.	Payable upon Effective Date of Renewal Franchise Agreement.	The Renewal Term is ten years. <u>See</u> Note (14).
Late fees, insufficient funds fees, or interest on late payments†	Presently, \$50 per day that payment is late, plus highest applicable legal rate for open account business credit, or if there is no maximum, not less than the rate of 1.5% per month. Franchisee shall be responsible for any insufficient funds fees assessed by payment processors in connection with payments due under this Agreement.	Due on receipt of invoice.	<u>See</u> Note (15).
Insurance and Late Fee	An annual premium of approximately \$2,000 – \$5,000. Late fee – If proof of insurance is not received by <u>UsPMI</u> prior to your opening day or not maintained during Term, you will be assessed a late fee of \$25 per day	As incurred.	<u>See</u> Note (16) and Item 7.
PMiWork Flow†	Presently, an annual subscription paid monthly, presently \$22.50 per month per license.	Prior to attending Workshop.	<u>See</u> Note (2123).

Type of Fee	Amount	Due Date	Remarks
Extraordinary Training Cost†	The then current fee, which is presently a minimum of \$600 to \$800 per day, plus travel reimbursement.	10 days before the visit.	Only if you require or request Extraordinary Training. <u>See Note (1817)</u> and Item 11.
Monthly Phone Service Fee	Presently, a one-time set up fee of \$94.95 – \$149.90 before FCC regulated fees and taxes, and \$65.87 per month before FCC regulated fees and taxes.	Monthly on or before the 1st of each month.	Required of all Franchisees. <u>See Note (2224).</u>
Trust Account Reconciliation Fee†	Presently, \$5.00 per Door.	As incurred.	<u>See Note (2018).</u>
Compliance Fee†	Presently, \$25.00 per day if you are out of compliance with any requirements contained in the Franchise Agreement.	As incurred.	<u>See Note (1921).</u>
Broker Fee (for Residential and Commercial Pillars)	Presently, can range from \$0 to 30% of the leasing fee.	As incurred.	<u>See Note (2022).</u>

Type of Fee	Amount	Due Date	Remarks
Acquisition Lead Sourcing Fee <u>Lead Origination Fee</u>	For all PMI Corporate Sourced Acquisition leads that result in a signed purchase agreement, the following fees will apply: Due at closing, the Sourcing Fee is equal to 35% of the total transaction value; a minimum of \$5,000 <u>with a</u> maximum <u>cap at of \$350,000.</u>	<u>Due at closing.</u>	<u>(none)</u>

†

Denotes fees which are imposed and payable to PMI (“us”) or our Affiliates. All fees paid to us, or our Affiliates are non-refundable. Except as explained in the “Notes” below, all fees are uniformly imposed. Fees paid to approved vendors (meaning Franchisor-approved suppliers and vendors of products and services that Franchisee may use in the Business (referred to herein as “**Approved Vendor(s)**”) may or may not be refundable depending on the Approved Vendors. We require you to pay fees and other amounts due to PMI via electronic funds transfer (“**EFT**”) or other similar means, as described in the Franchise Agreement. If payments are required in this method, you must comply with our procedures and perform all acts and deliver and sign all documents, including authorization (in the form attached to the Franchise Agreement as Addendum C, or any other form that we may accept). If you choose to pay any fees by credit card, you must pay us a 3.5% servicing fee.

We have no franchisee cooperatives at this time.

[NOTES for Item 6 are on the following pages]

ITEM 6 NOTES:

(1) “**Royalty**” or “**Royalties**” shall mean a monthly fee owed to Franchisor by Franchisee that is (i) 5% of Brokerage; plus (ii) a tiered percentage of Gross Revenue as follows: the greater of 7% or \$350, \$700, \$1,050 (based on months of Operation) of Gross Revenue (as defined in Note 2) up to \$35,000, plus 6% of Gross Revenue from \$35,001-\$75,000, plus 5% of Gross Revenue above \$75,001; plus (iii) 0.5% of rents collected on self-owned rental Doors and Square Feet, and 1% booking revenue collected on Keys. For example, if Franchisee’s Gross Revenue is \$50,000, and has \$4,000 of Brokerage revenue, Franchisee would pay ~~two-hundred dollars \$200~~ on Brokerage ($\$200 = \$4,000 \times 5\%$) plus \$3,350 on all other revenue ($[\$35,000 \times 7\%] + [\$15,000 \times 6\%]$) for a total of \$3,550. Additionally, Franchisee will pay a royalty to Franchisor for self-owned rental Doors and Square Feet at a rate of 0.5% of rents collected on self-owned rental Doors and Square Feet, and 1% booking revenue collected on self-owned Keys. EPMC franchisees and franchisees previously known as Regional Mentor’s may pay a lower Royalty amount, which may range between 3.0% and 7.0%. The term “Brokerage” means all revenues, fees, and commissions paid to or value received by the Business or its ~~a~~Affiliates, in accordance with buying or selling real estate.

The anticipated costs to start a real estate brokerage ~~varies~~vary depending on the type of brokerage you want to start. Typically, you should budget for start-up costs of \$10,000 if you want to start an independent real estate brokerage. Some of the anticipated costs are:

- Pre-~~Licensing~~licensing real estate classes: \$300+
- Real estate license application fee: \$325+
- Real estate broker fees: \$25–\$500+/month
- Membership dues: \$200+/year
- Marketing costs: \$1,000+/year
- Real estate ~~Continuing~~continuing Education~~education~~: \$50–\$300+/year

You must produce a minimum of \$5,000 in Gross Revenue in month 12 from Opening Date (“**Territory Sales Quota**” or “**TSQ**”) per Pillar, and a minimum TSQ of \$10,000 in Gross Revenue in month 24 from the Opening Date per Pillar and a minimum TSQ of \$15,000 in Gross Revenue in month 36 from the Opening Date per Pillar. If you fail to meet your TSQ, we may reduce the geographic size of the Territory to an area we determine and sell an additional franchise in your Territory, or we may terminate the Franchise Agreement.

(2) The term “**Gross Revenue**” is defined in Section 1 of the Franchise Agreement and includes the total revenue and receipts collected through the operation of the Business and entities affiliated with you, including but not limited to, all revenue from property management and maintenance services, leasing fees, booking and guest fees, and all other revenue the Business generates excluding Brokerage, and all federal, state, or municipal sales, use, or service taxes collected from customers or clients.

(3) You are required to provide ~~Us~~us with monthly financial statements, including a profit and loss statement, within ten (10) Business Days after the end of each month. In addition, during the Term of the Franchise Agreement, each year, within thirty (30) Days of Franchisee filing its annual tax returns, you must provide us with a complete financial statement for the preceding calendar year, which restatement shall include (i) a profit and loss statement, (ii) a balance sheet, (iii) your complete business year-end tax returns including any applicable schedule K-1’s, each being prepared and certified by an independent, certified public accountant; and (iv) each Owners’ complete year-end tax returns. The last possible calendar date the aforementioned documents must be received by is the 15th day of the 11th month of the

year following the tax year. The monthly and annual financial statements and accompanying documents do not need to be audited unless subsequently requested in writing by us. If this documentation is not received by the deadline, you will be selected for audit and any associated fines and penalties will apply.

(4) You are required to contribute 2.0% of your monthly Gross Revenue to our national marketing fund (“**National Marketing Fund**”) as more fully described in Section 3 of the Franchise Agreement. The amount you contribute (“**National Marketing Fees**”) is payable monthly together with and in the same manner as Royalties.

(5) We require that you spend at least \$1,500 per month in your Primary Pillar, and \$1,000 per month for each Additional Pillar (“**Local Advertising Quota**”) for Territory advertising and marketing (“**Local Advertising**”). The terms “Primary Pillar” and “Additional Pillar” are defined in note (3) of Item 7 below. The monthly obligation begins on the earlier of (i) the first calendar day of the month following your completion of the Training Program or (ii) no later than 180 days after the Effective Date of your Franchise Agreement. This monthly Local Advertising Quota is in addition to the National Marketing Fee. The Local Advertising expense does not include thea monthly fee paid to us for providing the Digital Essentials Package digital marketing services (“**Digital Essentials Packagerogram**,” further defined in the Franchise Agreement).

~~(6) You must participate in our Digital Essentials Packagerogram, which presently costs \$749 per month for your Primary Pillar, and \$250 per month for each Additional Pillar thereafter. The Digital Essentials Packagerogram fees will commence on the first day of the month following the Opening Date of your franchise, your completion of the Training Program (further detailed in Item 11). Your own lead generation campaigns, local advertising and marketing, social media, pay per click, pay per quote, as well as direct marketing, also count toward the Local Advertising Quota.~~

~~(7)(6)~~

~~(8)(7)~~ We have developed a temporary bookkeeping assistance and training service for PMI franchisees (“**PMiBOOKS**”), for Doors and Square Feet (“**ResidentialBOOKS**”), Units (“**AssociationBOOKS**”), and Keys (“**STRBOOKS**”). “**Door(s)**” means a Residential space with a physical address that may be rented, leased, or sold. “**Unit(s)**” means an individual space with a physical address that is located within an Association. “**Key(s)**” means a Residential space with a physical address that is rented as a Short-Term Rental. “**Square Feet**” means a Commercial ~~u~~Unit with a physical address that may be rented, leased, or sold. PMiBOOKS is required until you have completed all training and assignments deemed necessary for you to manage your company’s bookkeeping, which is judged by PMI in its sole and absolute discretion. You will be required to sign the PMI Bookkeeping Services & Training Program Agreement, attached to the Franchise Agreement, as Exhibit A. Once training and assignments are completed, you must use PMiBOOKS for that industry Pillar, or you may implement another bookkeeping staffing solution using PMiSOFT (regardless of the bookkeeping staffing solution you choose, you must ensure that the monthly and annual financial statements required under the Franchise Agreement [See Franchise Agreement, Section 3] are provided to us). Your monthly fee, paid to us, will depend on the number and types of properties you manage and whether you choose to purchase additional and optional bookkeeping services from us. Fees for PMiBOOKS will begin at the earlier of (i) obtaining your first Door, Unit, Square Foot(Feet), or Key, or (ii) 60 days following your attendance at the in-person workshop that you are required to attend (“Workshop” further defined in the Franchise Agreement). The fees for PMiBOOKS vary and can change from ~~time to time~~time to time. Presently, the minimum monthly PMiBOOKS fee is: (i) for Doors and Square Feet, the greater of (a) \$15 per Door or Commercial Unit managed or (b) \$100;

(ii) for Units, the greater of: (a) 20% of the management fee the Franchisee is paid for managing Units or (b) \$75 per Association plus an initial \$3.00 per Unit setup fee; and (iii) for Keys, presently, the greater of (a) \$50 per Key or (b) \$100 minimum and \$50 onboarding fee per key. \$85 per hour for out-of-scope training fee and \$10.00 per 1099 recipient. The PMiBOOKS fee is due to the Franchisor on the 1st of each month. Additionally, after coming off of PMiBOOKS, if at any time PMI discovers that your bookkeeping is non-compliant, for a fee, you will be required to complete further training and assignments deemed necessary for you to manage your company's bookkeeping, as determined by PMI in its sole and absolute discretion, and for you to remain on PMiBOOKS for an additional period of time, as determined by PMI.

~~(9)~~(8) We require you to use our customized software solution (“PMiSOFT”) for the Doors and Square Feet you manage. If you do not use PMiSOFT, we can charge you up to \$50 per day until you come into compliance. Presently, there is no monthly or per Door fee to use PMiSOFT, but in the future, a monthly or per Door fee may be imposed. There is no one-time PMiSOFT setup fee that is presently charged, but that may change in the future, and there are components to the software that may have additional fees. For an EPMC that comes to a PMI franchise, and who did not use PMiSOFT as part of their EPMC, there is a one-time software set-up fee, which is presently \$25-50 per Door, and is due to us at the time of purchase. We reserve the right to change or add Residential and/or Commercial software vendors at any time, which may cause you to incur fees and expenses. You may use a different third-party software provider for Residential and Commercial management if you have written permission from the President or CEO of PMI, which permission may be withheld for any reason or no reason at all. If you are approved to use a third-party software provider, in addition to any fees paid to the third-party, we presently charge you a monthly software fee of \$100 plus \$1.00 per Door and Commercial Unit managed.

~~(10)~~(9) We require you to use our Association management software (“PMiWARE”) for the Associations that you manage, if any. The present PMiWARE fee is \$35 per Association, and a one-time setup fee of five hundred dollars (\$500), which may increase in the future. For an EPMC that comes to a PMI franchise, and who did not use PMiWARE as part of their EPMC, there is a one-time software set-up fee, which is presently the greater of \$500 or based upon the number of Units under management, generally ranges from \$3-5 per Unit, and is due to us at the time of purchase. We reserve the right to change or add Association software vendors at any time, which may cause you to incur fees and expenses. You may use a different third-party software provider for Association management if you have written permission from the President of PMI, which may be withheld for any reason, or no reason at all. If you are approved to use a third-party software provider, in addition to any fees paid to that third-party, we may charge you a monthly fee based upon the number of Associations you manage, the number of Units under management, a flat fee, or a combination of these options.

~~(11)~~(10) We require you to use our Short-Term Rental management software (“PMiSTR”) for the Keys you manage, if any. The fees for PMiSTR may change in the future. Presently, for franchisees new to the STR Pillar there a one-time \$500 setup fee along with a monthly per-key fee structure for all franchisees in the STR Pillar that proceeds as follows: \$40 per key for up to 5 keys, \$35 per key for 6 to 15 keys, \$30 per key for 16 to 50 keys, \$27 per key for 51 to 100 keys, and \$24 per key for more than 100 keys. Once the number of keys reaches a specified range, all keys are billed at that range's rate. For example, a franchise with 7 keys would be billed a one-time \$500 setup fee plus \$35 per key for all 7 keys, totaling \$745. Additionally, optional add-on bundles are available starting at \$40. Presently, for franchisees new to Short-Term Rental management, there is a one-time software set-up fee of one-thousand seven-hundred fifty dollars (\$1,750) for 1-5 Keys or seven-hundred (\$1,950) for 5+ keys; and (i) a monthly software user fee that is the greater of (a) twenty-five (\$25) flat fee or (b) \$21.90 per key for keys 1-10, \$17.90 for keys 11-30, \$13.90 per key for keys 31-50, and \$9.90 for keys 51+. For more than 2 users, there is a \$4.00 per additional users monthly fee and (ii) a

monthly fee of one percent (1%) of the collected gross booking and guest fees. For an EPMC that converts to a PMI franchise, and who did not use PMiSTR as part of their EPMC, the one-time software set-up fee ranges based upon the number of Keys under management, but is generally \$250 per Key, and is due to us at the time of purchase. The monthly fees may change in the future. Franchisor reserves the right to charge guests credit card processing fees, service fees, or handling fees, payable to Franchisor. We reserve the right to change or add PMiSTR software vendors at any time, which may cause you to incur fees and expenses.

~~(12)~~(11) We require you to use our third-party Preferred Vendor network, contracted by Franchisor to provide services to or on behalf of franchisee, which currently includes referral management services and review, reputation, and lead management (“**PMiPrograms**”). Presently, we charge you a Monthly fee applies at the greater of \$89 or \$1.20 per unit, plus additional charges for extra services as follows: Inbox Add-on is \$49 per month plus \$0.45 per unit, inbound numbers are charged at \$4.00 per number, call minutes at \$0.05 per minute (with 250 minutes included), and text messages at \$0.025 per text (with 250 messages included), phone carrier registration is \$19.00, and phone carrier campaign maintenance is \$1.50. ~~monthly fee of \$65~~, which fees may change in the future. The monthly fee shall commence on the first calendar day of the month following Franchisee’s ~~completion of Workshop (or in the event the Franchisee does not complete Workshop, for whatever reason, commencing on the first day of the month following one_hundred twenty (120) days from the Effective Date of the Franchise Agreement)~~ Opening Date. ~~There are components to PMiPrograms that may have additional fees.~~ We reserve the right to change or add software solutions, vendors, and other services at any time, which may cause you to incur fees and expenses. You may use other software solutions or vendors for lead management and referral management, if you have written permission from the President of PMI, which permission may be withheld for any reason, or no reason at all. If you are approved to use a third-party software solution, in addition to any fees paid to that third-party, we charge you a monthly fee which is presently \$125 plus \$1.25 per Door you manage.

~~(13)~~(12) If you understate Brokerage or Gross Revenue by 5.0% or more, you will be charged an audit fee (“**Audit Fee**”) for (i) our costs and expenses related to conducting the audit (including, without limitation, travel expenses, and reasonable accounting, audit, and legal fees), plus (ii) a flat fee of 50% of the total dollar amount of the understated amount, plus the Royalties and/or fees that would have been owed on the understated amount, plus interest at the highest applicable legal rate for open account business credit, or if there is no maximum, not less than the rate of ~~4.5%~~ 5% per month on the Royalties and/or fees that would have been owed on the understated amount, accruing from the date that the amount was underreported to Franchisor.

~~(14)~~(13) If you wish to transfer your Business (“**Transfer**”) (e.g., sell, assign, pledge, or mortgage any part of the Business, including but not limited to Doors, Units, Keys, Square Feet, or any assets of the Business) you must pay us a fee of \$12,000 (“**Transfer Fee**”). This Transfer Fee is to defray expenses incurred by us in connection with the Transfer, including, without limitation, training of the assignee, accounting fees, credit and other investigation expenses, and evaluation of the assignee and the terms of the Transfer. You and the transferee must also comply with the other conditions for transfer as specified in the Franchise Agreement. You must consult with us prior to any attempt to sell or Transfer, and we must approve all Transfers in writing.

~~(15)~~(14) If you qualify to extend your rights to operate your Business beyond the initial term of your Franchise Agreement (“**Initial Term**”) and you elect to do so, we charge a “**Renewal Franchise Fee**” (See Franchise Agreement, Section 4). You will be required to enter into a new franchise agreement (“**Renewal Franchise Agreement**”) which may contain materially different terms than your original

Franchise Agreement, and the boundaries of your Territory may change. However, the Royalties and fees charged under the Renewal Franchise Agreement shall not be any more than those charged to new franchisees who enter into a franchise agreement at that time.

~~(+6)~~(15) If not received in our offices on or before the due date, all sums to be paid under the Franchise Agreement, or reports, filings, and statements to be provided to us under the Franchise Agreement, shall be assessed a late fee, which is presently \$50 per day, plus the highest applicable legal interest rate for open account business credit, or if no maximum rate applies, not less than the rate of ~~1.5~~% per month, until received or paid in full (“Late Fee(s)”). If any payments you make to us are denied or returned for non-sufficient funds, we will pass on to you any fees we incur from each denial or return.

~~(+7)~~(16) You are required to obtain and maintain insurance coverage, as further described in Item 8. An estimate will be dependent upon the size of your brokerage, number of independent sales associates, and your coverage history. The insurance deposits and premiums may vary by state, and depending upon your Franchise, may be higher or lower than this range. You may have additional costs as a result of the size of your Franchise or number of Offices, the types of coverage and policies you carry, your claim history, or if you elect to purchase more than the minimum coverage limits required under the Franchise Agreement (See Section 16 of the Franchise Agreement). If proof of insurance required by the Franchise Agreement is not received prior to you opening your Business, and as reasonably requested thereafter, you will be assessed a Late Fee, which is presently \$50 per day.

~~Your legal expenses will vary depending upon numerous factors, including your jurisdiction, market prices, and whether you retain legal counsel to review this disclosure document and/or the Franchise Agreement, and to what extent you seek guidance from legal counsel. You must indemnify and hold us harmless against, and reimburse us for, any loss, liability, taxes, or damages (actual or consequential), and all reasonable costs and expenses of defending any claim brought against us or any action in which we are named as a party which we may incur or sustain by reason or arising from or in connection with your ownership or operation of your Business, as outlined in your Franchise Agreement. And you agree in addition to the above, we have the right to select our own legal counsel.~~

~~(+8)~~(17) We may provide additional training and education outside of the normal scope of our normal training and education (“Extraordinary Training”), should it be requested by you. You will bear all costs associated with such training, including our costs and any fees that we charge to provide such services. We currently charge \$600.00 per day for any additional Extraordinary Training held at our corporate offices in Salt Lake County/Utah County and a minimum of \$800.00 per day, plus travel reimbursement, for Extraordinary Training held at your Business location. If, due to circumstances outside of your control, you are not able to attend the Extraordinary Training, and no costs were incurred by us, the training fee is refundable. If costs were incurred by us, the amount refunded would be less than the fees incurred.

~~Prior to attending Workshop, you will be required to pay \$1,000 to secure your attendance at the next occurring Annual Summit (“Summit Deposit”). Following your attendance at the Annual Summit, we will refund your Summit Deposit, less any registration fees for you and your guests, if any. If you fail to attend the Annual Summit that directly follows the Effective Date of your Franchise Agreement, you will forfeit the Summit Deposit, in its entirety. Annual Summit attendees are responsible for all associated travel costs, including flights, lodging, transportation and meals. All Franchisees are required to attend our Annual Summit. Should a Franchisee not attend the Summit, we reserve the right to collect the standard registration fee for one attendee.~~

~~(19)~~(18) If you are not in compliance with state and local laws related to Customer (as that term is defined in the Franchise Agreement) trust accounts, or if you otherwise request for us to do so, we, at our sole election, may reconcile your trust accounts for a monthly fee, which is presently \$5.00 per Door, but may increase in the future.

~~(20)~~(19) You must be in full compliance with our quality measures in Section 8.1 of the Franchise Agreement, within 180 days of the effective date of your Franchise Agreement. You will be charged a fee for each day beyond 180 that you remain out of compliance, which fee is presently \$25.00 per day. Such fee shall be in addition to any other specified fees and Late Fees otherwise applied.

~~(21)~~(20) If mandated by your state, you must either obtain your broker's license or secure a broker to represent you. The fees payable to the broker will vary and can range from \$0 to 30% of the leasing commission.

~~(22)~~(21) PMI systems and processes are managed through P*M*iWorkFlow. You will start with one license, at the current rate, which is presently an annual fee of \$270, billed monthly in the amount of \$22.50.

~~(23)~~(22) Phone service will be provided via VOIP (*V*oice *O*ver *I*nternet *P*rotocol) by our mandatory supplier. We will own the number or numbers you are permitted to use, and we reserve the right to eliminate service or *to* redirect calls at any time upon your failure to cure any default we advise you of in writing. You may not have or use any other number associated with your Franchised Business without our express written permission, which we have the right to grant or deny for any reason.

~~(24)~~(23) You will be required to use our approved accounting software and add PMI as an approved accounting firm or administrator. Currently, we are using QuickBooks Online. This software and fees could change. You may not use any other accounting software without our written permission, which we have the right to grant or deny for any reason. Should we grant you permission to use an alternative accounting system, you will be charged a \$100 fee per month.

ITEM 7: ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT PER PILLAR

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Type <u>of</u> Expenditure	Minimum Amount to Maximum Amount	Method <u>of</u> Payment	When Due	To Whom Payment <u>Is</u> to <u>Be</u> Made
Franchise Fee (See Note (1))	\$ 6459 ,900 to \$ 9085 ,000	Wire, cashier's check, or EFT	Upon Effective Date of Franchise Agreement	Us
Rent (See Note (2))	\$0 to \$2,000	Check, wire, or EFT	Monthly, as incurred	Your landlord
Rental improvements	\$0 to \$2,500	Cash, check, wire, or EFT, as required by landlord or contractors	As incurred	Vendors and/or landlord
Deposits	\$0 to \$2,500	Check, wire, or EFT, as required by the requesting entity	As incurred	Utilities and/or landlord
Pillar Certification Training Program, Workshop, and PMiLAUNCH (See Notes (3), (4) and (5))	\$0 to \$3,800	Credit card or EFT, as required by vendor	As incurred, during Training and Opener	Vendors, Us
Equipment and Business Supplies (See Notes (6), (7))	\$500 to \$3,000	Credit card or EFT, as required by the vendor	As incurred, before opening for business	Vendors
Computer hardware and software (including PMiSOFT , PMiWARE , PMiPrograms , PMiSTR -(as required) (See Notes (6), (7), and (8))	\$675 to \$ 2,9755,950	EFT for PMiSOFT , PMiWARE , PMiPrograms , and PMiSTR ; varies by other vendors <u>other vendors</u>	As incurred; Once assessed, our software fees are payable monthly, due on the 1st of each calendar month	Vendors

Local Advertising expenses for a period of 3 months . (See Note (9))	\$4,500 to \$13,500	Via EFT for Digital Marketing Program <u>Essentials Package</u> and Short-Term Rental website; varies by other vendors	As incurred, but a minimum of \$1,500/month, with any amounts owed to <u>PMI</u> due on the 1st of each <u>calendar</u> month	Vendors, PMI, and advertising companies
Insurance (See Note (10))	\$2,000 to \$5,000	Check, credit card, wire, or EFT, as required	Annually (or divided into monthly premium payments) as incurred	Insurance carrier
Professional services (See Note (11))	\$0 to \$2,04,500	Check, credit card, wire, or EFT, as required	As incurred	Attorneys, <u>brokers</u> , accountants, and other professionals
VOIP Telephone Equipment (3 months not including FCC fees and taxes) (See Note (15))	\$300 to \$500	As incurred	As incurred	Vendor
Additional F unds for period of 3 months (All Pillars) <u>(See Note (14))</u>	\$3,864 to \$250,000	Cash or credit	As needed	Various
Initial Trust Account deposit <u>for Short-Term Rental operations</u> (See Note (13))	\$500 to \$1,000	EFT	When a bank account is set up for Short-Term Rental, a deposit is required to absorb initial fees (merchant account fees, bank fees, etc.)	Vendor
Existing Property Management Company (EPMC)	-	-	-	-

(See Note 12 & 16)				
Total	\$ 77,239 70,125 to \$1 53,775 48,000	-	-	Various

[See NOTES for Item 7 on following pages]

NOTES (Item 7):

(1) The Franchise Fee is for a specific, non-exclusive geographic territory and depends upon the type of franchise you purchase (See Item 5). The Franchise Fee is earned upon payment and is non-refundable. The Territory will be determined by certain population and growth calculations, county lines, geographic, physical, and other boundaries before the Franchise Agreement is signed.

(2) You are required to have a physical address, approved in writing by Franchisor, located within your Territory from which to operate the Business, whether a professional office or a home office owned by you (your “**Office**”). The stated monthly fee you pay, if any, to lease such space (“**Rent**”) is only an estimate and will vary depending upon the market in your location, availability of space, and other factors. Rent is likely non-refundable. As part of leasing Office space, you may spend the stated amount, or more, for rental improvements, such as putting in new carpet or painting walls. As part of your lease requirements, you will also likely be required to pay deposits for the Office space and deposits for utilities and suppliers. The numbers provided are only estimates and will vary according to different locations and market conditions.

(3) You are required to receive full education on each property management industry sector (“**Pillars**”), prior to being eligible to offer such Pillars as part of your Business. Unless you are an EPMC that is already providing property management services in more than one Pillar, before or on the date of signing your Franchise Agreement, you must select your first property management industry Pillar (e.g. Residential) that you will provide as part of your Business (“**Primary Pillar**”). You must then complete Pillar Certification, consisting of (i) the Training Program, (ii) Workshop, and (iii) PMiLAUNCH, for this Primary Pillar. Thereafter, if you wish to provide property management services in an industry sector other than your Primary Pillar (each, an “**Additional Pillar**”), you must meet the following criteria: (i) we must determine, in our sole discretion, that you are properly trained and successfully providing services in your Primary Pillar; (ii) you must be in full compliance with your Franchise Agreement, including all monies owed to us; (iii) you must pay a fee of ten-thousand dollars (\$10,000) (“**Additional Pillar Fee**”), for each Additional Pillar; and (iv) you must successfully complete Pillar Certification for each Additional Pillar (collectively, “**Additional Pillar Requirements**”). If you are an EPMC that is already providing property management services in multiple Pillars, you will be allowed to continue providing your existing Pillars without the Additional Pillar Requirements. However, following entering into the Franchise Agreement, should you add an Additional Pillar, you must meet the Additional Pillar Requirements.

(3)(4) Before opening your Business, your Operating Principal (and up to one other person of your choosing) must complete our training program (the “**Training Program**”) for your initial Primary Pillar. For each Pillar, our Training Program is segmented into two parts: a program that consists of weekly live calls and video training covering many different areas of property management and Business operations (“**Training**”), and a program that runs concurrently with Training, consisting of weekly phone calls, status updates, and tasks associated with opening your Business (“**Opener**”). We do not charge a fee for your Operating Principal and up to one other person of your choosing to participate in our Training Program. See Item 11 for additional information.

(4)(5) After completing the Training Program (Training and Opener) for each Pillar, your Operating Principal (and up to one other person of your choosing) must attend Workshop at our headquarters in Utah for approximately 5 days and thereafter, participate in our launch program (“**PMiLAUNCH**”). PMiLAUNCH will begin the week immediately following Workshop. PMiLAUNCH is a task-based implementation program helping Franchisees take advantage of and participate in our System, and you

are required to participate in PMiLAUNCH, which is a seven-week program consisting of at least one required virtual meeting each week. We do not charge a fee for your Operating Principal and up to one other person of your choosing to attend Workshop; however, any additional participants must pay our then current fee, which is presently \$1,000 per person. Additionally, you will be responsible for the compensation, travel, lodging, and living expenses incurred in connection with attending Workshop. (See Item 11.)

~~(5)~~(6) This includes a computer, smartphone, mobile phone service, copier/scanner/fax/printer shredder, software, phone system, locking filing cabinet(s), internet service (e.g. Cable, Wi-Fi), various business supplies (e.g. business cards, corporate letterhead, envelopes, marketing materials, etc.), and all other necessary office equipment. This amount will vary depending on whether you already have these items. We have no specifications for the computer, except that your computer must have the ability to operate the latest personal computer operating system, as well as operate the required Franchisor Software (defined below). (See Item 11.) Any fees or costs for equipment and supplies are likely non-refundable.

~~(6)~~(7) You must obtain a start-up package of supplies including corporate letterhead, envelopes, business cards, clothing, signs, corporate brochures, and promotional giveaway items (“**Business Supplies**”), at a present cost of \$350. These start-up Business Supplies can be obtained at the PMiSTORE, a dedicated website where PMI franchisees can order marketing and branding materials and apparel for use in the Business (“**PMiSTORE**”). Fees for Business Supplies are non-refundable. You may also take our templates to an approved outside vendor for printing or, if we approve, you may purchase the required materials and supplies directly from another vendor. You will also receive access from PMI to a list of Approved Vendors. We will provide you with direction as to the items you will need. (See Item 11.)

~~(7)~~(8) You will be required to have certain off-the-shelf computer hardware. You may already have equipment which meets this need. You are also required to subscribe to our software solutions (e.g. PMiSOFT, PMiWARE, PMiSTR, PMiWorkFlow, Accounting Software, and PMiPrograms, collectively referred to herein as “**Franchisor Software**”), as applicable to your Business. Fees paid in relation to Franchisor Software are non-refundable.

~~(8)~~(9) This is the estimated amount that you will spend on Local Advertising, over a period of three months, following the opening of your Business. ~~The Local Advertising expense includes a monthly fee paid to us for providing digital marketing services (“**Digital Marketing Program Essentials Package**,” further defined in the Franchise Agreement). You must participate in our Digital Marketing Program Essentials Package, which presently costs \$749 per month for your Primary Pillar, and \$250 per month for each Additional Pillar thereafter. You must participate in our Digital Marketing Program. The Digital Marketing Program Essentials Package fees commences on the first day of the month following your completion of the Training Program (further detailed in Item 11).~~ This estimate also includes funds spent toward advertising efforts such as your own lead generation campaigns, local advertising and marketing, social media, pay-per-click, pay-per-quote, as well as direct marketing. The estimate also takes into consideration the Local Advertising Quota of \$1,500 for your Primary Pillar, and \$1,000 per month for all Additional Pillars, which obligation begins on the earlier of (i) the first calendar day of the month following your completion of the Training Program for each Pillar or (ii) 180 days after the Effective Date of the Franchise Agreement. Advertising fees are non-refundable.

~~(9)~~(10) You must purchase and maintain the following types and minimum amounts of insurance for the full Initial Term of the Franchise Agreement:

- a. “All risk” (special form) property insurance coverage for all assets of the franchised business;
- b. Cyber liability insurance with one-million dollar (\$1,000,000) limit requirement;
- c. Comprehensive general liability insurance, including contractual liability, with a minimum liability coverage of \$1,000,000 per occurrence and \$2,000,000 aggregate;
- d. Workers’ compensation insurance and employer liability coverage with a minimum limit of \$1,000,000;
- e. Errors and omissions insurance (E&O) professional liability insurance with a minimum limit of one-million dollars (\$1,000,000) per occurrence.
- f. Automobile liability insurance of at least \$1,000,000 per occurrence that includes hire/non-owned liability. Insurance costs may be refundable for any unused portions.

~~(10)~~(11) You may need to employ an attorney, an accountant, and other consultants as needed to assist you in establishing your Business. These fees may vary from location to location depending upon the prevailing rate of attorneys’, accountants’, and consultants’ fees. These fees are likely non-refundable.

~~(11)~~(12) There is a one-time conversion fee for an EPMC (“**EPMC Conversion Fee**”) that has Doors, Units, or Keys that are not using a PMiSOFT, PMiWARE, or PMiSTR software vendor. The present EPMC Conversion Fee for Residential ranges from \$25-\$50 per Door (to be determined in the pre-conversion assessment), with a \$1,000 minimum. For Short-Term Rentals, the present EPMC Conversion Fee is generally \$250 per Key. The EPMC Conversion Fee for Associations is \$3-\$5 per Unit and a one-time set up fee of \$500. These fees may change in the future. All EPMC Conversions Fees are non-refundable.

~~(12)~~(13) If you are doing Short-Term Rental management, an initial bank deposit is required to absorb initial fees, such as merchant account fees, bank fees, etc.

~~(13)~~(14) The estimate of additional funds for the initial phase of your Business is based on recurring expenses and operating expenses for the first three (3) months of operation. The estimate of additional funds does not include an owner’s salary, draw, or staff wages. The additional funds required is based on the anticipated expenses needed for 3 months, including the ongoing expenses listed in Item 6 and 7. These funds are also based on the experience of current franchisees and our Approved Vendor programs.

~~(14)~~(15) Phone equipment must be purchased from our required vendor. These estimates include the cost of required equipment and initial activation fees. You will also be required to pay a monthly service fee for each phone connected to the system.

~~(15)~~(16) You (EMPC) will pay \$0 to \$10,000 in costs to convert systems; however, other costs listed do not apply to an EMPC (insurance, professional services, computer hardware, rental, rental improvements, etc., do not apply). PMI will charge \$10,000 for each additional Pillar, but most costs listed above do not repeat for each Pillar.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Approved Suppliers and Vendors

You must open and operate your Business in accordance with the System. You will be required to purchase and maintain an inventory of Business Supplies. At this time, we are the only designated supplier of Business Supplies. However, if you wish to use an outside vendor, approval may be provided. You may purchase office equipment from any source so long as it meets our minimum requirements.

We designate Approved Vendors of products and services that you may use in your Business. The list of Approved Vendors is published in PMiWAY, which is also our Operations Manual (“PMiWAY” or “Operations Manual”) and is subject to change. Many of these Approved Vendors have agreed or will in the future agree to pay rebates, commissions, referral fees, or other forms of compensation or incentives to us. This compensation is paid by some Approved Vendors in consideration for the higher business volume that our System brings or may bring to them. Approved Vendors may include software companies, banks, lending institutions, insurance companies, other franchisors, contractors, bookkeepers, and other companies that we designate.

In fiscal year ~~2023~~2024, we received ~~\$7,926,370~~~~6,171,928~~ in revenue from purchases of products and services by franchises. This represents ~~3943.5~~% of our total revenue of ~~\$1518,658~~~~223,277~~~~060~~. Our Affiliates do not sell or lease products and services to franchisees.

There are no Approved Vendors in which any of our officers own an interest and no Affiliates are Approved Vendors.

You must adhere to the standards and specifications established by us with respect to brand standards, office procedures, advertising materials, supplies, and other items used in the operation of the Business, which are disclosed in PMiWAY (“PMiWAY”) and other written materials, including information posted on Franchisor’s website and information sent to or accessed by Franchisee in print or electronic form, manuals, written procedures, memoranda, and their supplements loaned to Franchisee by Franchisor (“Materials”).

You may wish to introduce us to a potential supplier or vendor who wants to supply goods or services to us. No compensation or fees will be paid to the referring franchisee. You must obtain approval for a proposed supplier by submitting to us a written request identifying the company and supplying us with a sample of the proposed services and products. We will notify you of our approval or disapproval within 15 business days after we receive all of the information which we may request from you or the proposed supplier/vendor. If we do not respond in writing within the 15-day period, the proposed vendor will be deemed to be not approved. There are no other written criteria for approving a vendor or supplier.

You must also purchase computer hardware and software from suppliers that meet our standards and specifications or obtain our written approval to purchase other equipment. We will respond to requests for approval to purchase other equipment within 30 days from the date the request is received. If we do not respond in writing within the 30-day period, the proposed equipment will be deemed to be not approved.

You must utilize our Digital Essentials Package (~~see~~ See Item 11). The current cost of the Digital Essentials Package is \$749 per month for your Primary Pillar, and \$250 per month for each Additional Pillar thereafter, but may increase in the future.

You must purchase from us PMiSOFT (for Residential Doors or Commercial Square Feet) and PMiSTR (for Short-Term Rentals). You must also purchase from us PMiWARE (for Association Units that you manage), at the price per Association, per Unit provided in Item 6, Note (7). To use PMiWARE we require the Associations you manage to use a financial institution chosen by us. You must purchase from us PMiPrograms, at the monthly fixed rate provided in Item 6, Note (9). Additionally, you must purchase PMiWorkFlow, at the price indicated in Item 6, Note (22). We will derive revenue as a result of your payments for PMiSOFT, PMiWARE, PMiSTR, PMiPrograms, and PMiWorkFlow.

You must obtain the insurance coverage required by the Franchise Agreement from a carrier with a rating of at least A-minus. The required coverage currently includes: (i) “all risk” (special form) property insurance coverage for assets of the franchised Business; (ii) cyber liability insurance with a one-million dollar (\$1,000,000) limit requirement; (iii) comprehensive general liability insurance, which should include contractual liability, with a minimum liability coverage of \$1,000,000 per occurrence and \$2,000,000 aggregate; (iv) workers’ compensation insurance and employer liability coverage with a minimum limit of \$1,000,000; (v) errors and omissions insurance (E&O) professional liability insurance with a minimum limit of \$1,000,000 per occurrence; (vi) automobile liability insurance of at least \$1,000,000 that includes hire/non-owned liability. The required coverage is subject to change and may be revised from time to time and updated in the Franchisor’s PMiWAY or otherwise in writing. Your insurance policies must name us and our officers, directors, partners, employees, agents, and Affiliates as additional insured, and contain a provision prohibiting cancellation without at least 30 days’ prior written notice to us. You must furnish us a Certificate of Insurance evidencing such coverage prior to opening your Business, and thereafter, at least 30 days prior to the expiration of any such policy or policies. If proof of insurance is not received timely, Franchisee will be assessed a non-compliance fee, currently \$25 per day, until the required proof is provided and accepted.

You may also wish to provide products and services not previously offered by us. You must obtain approval for any potential product or service you wish to offer by submitting to us a written request identifying the product or service and the manner and method by which you plan to deliver it to the Customer. We will notify you of our written approval or disapproval within 15 days after we receive all the requested information. If we do not respond within the 15-day period, the proposed product or service will be deemed not approved. There are no other written criteria for approving a service, vendor, or supplier.

We reserve the right to derive revenue from other sources. We may charge a service and handling fee, in addition to a reasonable profit, for all materials required to be purchased by you from us.

We do not provide or withhold material benefits (including renewal rights or the right to open additional Businesses) based on whether you purchase through the Approved Vendors. However, purchases of unapproved products/services, the use of unapproved vendors, or supplying to Customers unapproved products/services may be a violation of the Franchise Agreement, and you could be terminated as a result. If you receive approval, you will not be considered in violation of the Franchise Agreement.

We may modify, add to, or change any specification and requirement as to any goods, service, supplies, Franchisor Software, technology, or the like, at any time, on a regional or national basis, by amendment to the Manual, Materials, or by written notice to you. Once you are notified, you must make the change that is specified. All such changes will be effective when notice is received by you. We may also add and remove Approved Vendors at any time. These changes could require you to pay additional one-time,

companies) or your Franchise Agreement is otherwise terminated for any reason while any Note is outstanding, all principal and accrued interest payments are accelerated, and you are obligated to pay immediately the entire amount due as well as any collection costs that may be incurred, including court costs and attorneys' fees. Your failure to pay all amounts when due under any Note may constitute: (i) a default under the Franchise Agreement that may lead to termination of the Franchise Agreement; and (ii) a default under other agreements with us or our related companies. Under every Note, you waive various notices, rights, and defenses, including your rights to diligence, demand, presentment for payment, notice of nonpayment and protest, and notice of amendments or modifications. You also waive any defense under the statute of limitations and allow that a confessed judgment may be taken against you.

ITEM 11: FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

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

Before You Open Your Business

1. You will be assigned a Territory. (Franchise Agreement, Section 2). We will provide you with a username and password that grants access to PMiWAY, which will allow you to access the Software, forms, contracts, marketing tools, and procedures to run the Business; (Franchise Agreement, Section 5). We will provide you with a custom website linked to a Territory-specific URL (that is purchased and owned by Franchisor) and provide information which will allow you to generate email addresses connected to the Territory-specific URL, for your employees and agents, as needed (Franchise Agreement, Section 5).
2. We will provide you with a Territory-specific PMI logo (Franchise Agreement, Section 5).
3. We will provide you with the Training Program for your Primary and Additional Pillars (Franchise Agreement, Sections 5 and 7). We do not charge a fee for the Franchisee's principal operator and up to one other person of your choosing to participate in the Training Program for the Initial Pillar. The Training Program will take place remotely, via telephone, webinars, web-based tools, and instructional videos and tutorials. You will participate from your Office or other location of your choosing and we will participate from our corporate headquarters. The Training Program occurs over a 90 – 180 day period and is comprised of two components, being Training and Opener, with each requiring one (1) hour of scheduled and supervised training conducted by conference call or webinar per week, in addition to several hours of on-the-job training and/or activities per week. Training and Opener will be provided concurrently. Training and Opener instructional materials include our PMiWAY, Materials, webinars, and online information videos tutorials. The number of hours required for the Training Program may vary, depending on your business experience, real estate and property management experience, licenses held, and existing business structure. The Training Program for your initial Primary Pillar must be completed within 180 days of your signing the Franchise Agreement (Franchise Agreement, Section 7).
4. We will provide you with access to ~~PMiWay~~**PMiWAY**, defined as the Operations Manual, and provide to you or provide you with access to the Materials that you will need to operate your Business (Franchise Agreement, Section 5). The Materials and PMiWAY are confidential and remain our property. We may from time to time modify PMiWAY and Materials, but the modifications will not alter your status and rights under the Franchise Agreement (Franchise Agreement, Section 5). We will provide you with a list of Approved Vendors that you can utilize to purchase equipment, infrastructure, supplies, goods, and services required to operate the Business (Franchise Agreement, Section 5).

5. We will add your information to our internet site and will customize other promotional material on our site for your use (Franchise Agreement, Section 5).

6. We will provide you with, for the then-current fee, certain software solutions, including our software, as required and as elected by Franchisee (Franchise Agreement, Sections 3 and 5).

7. We will provide you with access to the PMiSTORE (Franchise Agreement, Section 5).

*We may hire, employ, and consult with agents, advisors, and consultants (“**Advisors**”) in the management of our operations and franchising endeavors, without disclosing such to you or to ~~third-parties~~third parties. Other than as listed above, Franchisor has no obligation to assist the Franchisee in establishing prices or setting minimum or maximum prices at which the Franchisee must sell products and services.*

Continuing Assistance

During the operation of your Business and as long as you are in compliance with the Franchise Agreement:

1. We will provide continual updates and information to you through PMiWAY (Franchise Agreement, Section 5).

2. We will provide you with certain software solutions, including our software, for the then-current fee, as required and as elected by Franchisee (Franchise Agreement, Sections 3 and 5).

3. We may provide you with leads that originate in your Territory and which we obtain through our website or through National Accounts (Franchise Agreement, Section 5). There is no guarantee that any leads will be generated, or if generated, will be within your Territory.

4. Following the Training Program for your Primary Pillar and Additional Pillars, we will provide you with additional education programs and ongoing assistance. (Franchise Agreement, Section 7.) Such additional education includes your mandatory participation in Workshop, and PMiLAUNCH, for your Primary Pillar and Additional Pillars. You will be required to pay your costs, including travel expenses, for attendance at Workshop, and any costs associated with your participation in PMiLAUNCH. We will provide supplementary on-going education, seminars, webinars, Refresher Courses (as defined herein), instructional videos, and tutorials during the term of the Franchise Agreement. Some of these will require mandatory attendance, may include fees, and you may be required to pay your costs, including travel expenses, for attendance (Franchise Agreement, Section 7). We will give you at least sixty (60) days’ notice of any Refresher Courses that are mandatory. If you wish to add an additional Pillar to your Business and are eligible to do so, including paying the Additional Pillar Fee, we will provide you with Additional Pillar Certification, as applicable.

5. We may hold an annual convention (“**Annual Summit**”) which, if held, will require you to attend. The Annual Summit will provide updated policies and procedures, new initiatives, break-out seminars, and recognition of new and outstanding franchisees (Franchise Agreement, Section 7). Should you fail to attend the Annual Summit, you agree to pay the registration fee for one attendee at the standard rate.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
PMI Training and Support Program Overview	1	0	Remotely
Pillar-Specific Training ➤ Association Management ➤ Residential Management ➤ Commercial Management ➤ Short Term Management	25	0	Remotely
Branding Your Franchise	2	0	Remotely
Social Media 101	2	0	Remotely
Networking 101	2	0	Remotely
Marketing Your Franchise	4	0	Remotely
Accounting in Property Management	2	0	Remotely
Fair Housing Training	2	0	Remotely
Hiring and Organizational Training	1	0	Remotely
Advanced Marketing Tactics	1	0	Remotely
Acquisitions 101	1	0	Remotely
Digital <u>Essentials</u> Marketing and Website	4	0	Remotely

Subject: Association Track	Hours of Classroom Training	Hours of On-the-Job Training	Location
Intro to the Association Pillar, Business Plan, Vision Casting	2	0	Lehi, Utah
Proforma Review – Understanding Your Numbers	1	0	Lehi, Utah
Launch Program Review	1	0	Lehi, Utah
Lead Generation/Referral & Networking	1	0	Lehi, Utah
PMI Sales Method – Association Pillar Sales Process	3	0	Lehi, Utah
Understanding Collections/ Collections Vendor	2	0	Lehi, Utah
Law Discussion/ Fiduciary Responsibilities	1	0	Lehi, Utah
Financial Management	1	0	Lehi, Utah
A Day in the Life of a CAM	2	0	Lehi, Utah
Overview of Pillar Technology/ Software Tour	3	0	Lehi, Utah
Onboarding a New Community	1	0	Lehi, Utah

For each Pillar, we require your Operating Principal and up to one other person of your choosing to participate in and successfully complete PMiLAUNCH. PMiLAUNCH will begin the week immediately following Workshop. We do not charge you a fee for up to two people to participate in PMiLAUNCH. PMiLAUNCH will take place remotely, via telephone, webinars, web-based tools, and instructional videos and tutorials. You will participate from your Office, and we will participate from our corporate headquarters. For each Pillar, you must remain in PMiLAUNCH for seven (7) weeks.

From time to time, we may provide what we call “**Refresher Courses.**” Refresher Courses may be held online, by webinar, conference call, or in-person. If held only by webinar or conference call, Refresher Courses will not be longer than two hours. If Refresher Courses are held in-person, they will be held at a

time and location we choose (in the continental United States), (ii) will not be longer than three (3) days, and (iii) attendance will not be required more than once a year. (Franchise Agreement, Section 7.) Refresher Courses will cover subjects similar to other previous training topics; which topics may have been updated from the time you attended. Some Refresher Courses require a fee. Additionally, you must pay your own travel expenses, if any, which will likely range from \$500 to \$2,500. You are responsible for all expenses incurred by you or your personnel who attend Refresher Courses and any other education programs, seminars, conventions and webinars, including, but not limited to, the cost of travel, lodging, meals, and wages (Franchise Agreement, Section 7).

If you request Extraordinary Training, we may, at our option, charge our then-current per hour and per diem fee, plus expenses. You are responsible for all expenses incurred by you or your personnel who participate in Extraordinary Training, including, but not limited to, the cost of travel, lodging, meals, and wages (Franchise Agreement, Section 7).

We may hold an Annual Summit which, if held, will require you to attend. The Annual Summit will provide updated policies and procedures, new initiatives, break-out seminars, and recognition of new and outstanding franchisees. You will be responsible for the payment of all expenses for travel, accommodations, food, and other expenses incurred (Franchise Agreement, Section 7). The Annual Summit fee is dependent on time of registration, presently ranging from \$500 to \$800. Should you not attend an Annual Summit, we reserve the right to collect the standard registration fee for one attendee.

~~As a new franchisee, you are required to attend the next occurring Annual Summit, paying \$1,000 prior to attending Workshop for your Primary Pillar, to secure your attendance ("Summit Deposit"). Following attendance, we will refund your Summit Deposit, less any registration fees for you and your guests, if any. If you fail to attend the Annual Summit that directly follows the Effective Date of your Franchise Agreement, you will forfeit the Summit Deposit in its entirety. (Franchise Agreement, Section 3)~~

Advertising

National Marketing Fund

We collect National Marketing Fees, which are 2% of your Gross Revenue, on a monthly basis. The National Marketing Fees are due at the same time as the Royalty. The National Marketing Fees are placed into the National Marketing Fund. The advertising account is administered by us at our sole discretion and may be used by us for all advertising expenditures reasonably intended to benefit some or all franchisees, and for the payments to us of costs related to administering the National Marketing Fund such as reasonable salaries, administrative costs, costs allocated to any conferences, travel expenses, and overhead (Franchise Agreement, Section 3).

We assume no other direct or indirect liability or obligation to you with respect to collecting amounts due to the advertising account or with respect to maintaining, directing, or administering the advertising account (Franchise Agreement, Section 3).

Any Businesses owned by us or our Affiliates participate in any national advertising programs on the same basis as franchisee-owned Businesses (Franchise Agreement, Section 3). The National Marketing Fee is used for the creation of various advertising and promotional products. The media in which such advertising may be disseminated is determined by Franchisor. The advertising is produced by us or a regional, national, or international advertising agency. Any amounts not expended in any year may be carried over to and expended in a following year. Other than incidental amounts, we will not use any portion of the

National Marketing Fee to solicit new franchisees (Franchise Agreement, Section 3).

Upon your prior written request, we will make available to you, no later than 120 days after the end of each calendar year, an annual unaudited financial statement for the advertising account (Franchise Agreement, Section 3).

We have established a Franchise advisory Leadership Council (“**Council**”). The Council’s representatives are selected by the franchisor’s leadership and the previous Council, through an annual selection process. The Council serves in a purely advisory capacity on many matters, including advertising. We have the power to change or dissolve the Council at our sole discretion. ~~The Council’s representatives are selected by the franchisees at large or by regions, through an annual election process. The Council serves in a purely advisory capacity on many matters, including advertising. We have the power to change or dissolve the Council at our sole discretion~~ (Franchise Agreement, Section 3).

We have been contributing to an internal marketing fund to promote the System and Marks. In our last fiscal year ending December 31, 2024~~3~~, we spent ~~827~~6% of our marketing funds on advertising and promotion, and ~~1824~~% of our marketing funds on lead development and soliciting new franchisees. We provided all of these marketing funds in our last fiscal year.

Franchisees began contributing to the National Marketing Fund on April 1, 2021. In our last fiscal year ending December 31, 2024~~3~~, 48% was held in reserve, 40% spent on website, and 12% spent on branding.

Territory Advertising

You are required to participate in Territory advertising activities on your own initiative and as directed by Franchisor. You may be required to participate in a local or regional advertising cooperative should one be formed. Any funds spent on local or regional advertising cooperatives will apply towards the Local Advertising Quota. Following completion of our Training Program, you must spend at least \$1,500 per month on local advertising for your Primary Pillar, and \$1,000 per month for each Additional Pillars (“**Local Advertising Quota**”) (Franchise Agreement, Section 3). The Franchisor-directed Territory advertising that you must participate in does not include the cost of our Digital Essentials Marketing PackageProgram. You may spend any additional amount on Territory advertising and such advertising may take any form (e.g. your own lead generation campaigns, local advertising and marketing, social media, pay-per-click, pay-per-quote, as well as direct marketing). We must be allowed to approve all advertising before it is placed, and all advertising and marketing Materials must adhere to our most recent PMI Brand Guidelines, which will be supplied to you through PMiWAY. You must deliver the proposed advertising to us no less than 15 calendar days before its insertion into any medium. If you do not receive written notice within 15 calendar days, it is deemed to not be approved (Franchise Agreement, Section 3).

You may not have a website that is separate from ours without our express written permission which may be granted or denied for any reason or for no reason at all (Franchise Agreement, Section 5).

You must participate in our Digital Marketing ProgramEssentials Package at the then-current pricing. The current cost for the Digital Essentials PackageMarketing Program is \$749 per month for your Primary Pillar, and \$250 per month for each Additional Pillar, with such fees payable to us. ~~Your Digital Marketing Program fee counts toward the \$1,500 minimum for the Local Advertising Quota for your Primary Pillar and \$1,000 for each Additional Pillar (Franchise Agreement, Section 3).~~ Upon your request, and at our then-current rate, (presently, an hourly rate of \$120 per hour for normal jobs and \$160 per hour for rush jobs), we may provide you with custom design services for new advertising and

Location Selection

The location of your Office is selected by ~~you~~you, and we must approve the location in writing before you attend Workshop. Approval of the Office location includes but is not limited to the location of the Office address that must present a professional image and must be located in your Territory. If the location of your Office allows you to have signage, the signs must contain only our Marks, unless prohibited by your Territory's state real estate laws. In the event that Franchisor and Franchisee cannot agree upon a site, the Franchise Agreement shall be ~~terminated~~terminated, and Franchisee's initial fee or deposit will be forfeited by you. We have the right at any time to inspect the Office to ensure that it meets these minimum specifications. If you decide to have a home Office, the home must be owned by you (Franchise Agreement, Section 2). A home Office is permissible until you reach the Growth threshold of \$8,000 per month or twelve (12) months from the completion of workshop, whichever occurs first.

Schedule for Opening

The typical length of time between signing a Franchise Agreement and opening a PMI Business depends upon full-time or part-time efforts in the day-to-day management of the PMI Business, and can be 90 to 180 days. Factors affecting this length of time include financing arrangements, property lease terms, construction, conversion requirements, obtaining licensing, and scheduling and completing the Training Program.

You will be required to open for business on the earlier of (i) your completion of the Training Program for your Primary Pillar or (ii) ~~120~~180 days after the Effective Date of the Franchise Agreement ("**Opening Deadline**"). We may extend the Opening Deadline for a reasonable time (not to exceed 30 days) in the event factors beyond your reasonable control prevent you from meeting the Opening Deadline, if you request in writing an extension of time from us at least thirty (30) days before the expiration of the Opening Deadline (Franchise Agreement, Section 2).

You must secure all necessary business permits and real estate licenses and permits required by state and federal regulations and laws prior to performing any property management services that require such permits and licenses. We have no responsibility or obligation to help you secure required licenses (Franchise Agreement, Section 2). You must also purchase or lease and have installed ~~all of~~all the required equipment (Franchise Agreement, Section 2); and obtain and provide evidence of the requisite insurance prior to providing any services (Franchise Agreement, Section 16).

Operations Manual Table of Contents

The Table of Contents of our Operations Manual, PMiWAY, is found in Exhibit C to this Disclosure Document. PMiWAY contains approximately 450 pages. The number of pages devoted to each subject is set forth in Exhibit C.



Except as otherwise stated herein, there are presently no effective determinations of the United States Patent and Trademark Office (“USPTO”), the trademark administrator of this state or any court, of any pending interference, opposition, or cancellation proceeding, or any pending material litigation involving the Marks, which is relevant to their use. All required affidavits to maintain the Marks are current as of the date of this FDD.

If you operate a franchise in Pennsylvania, pursuant to an agreement between us and an existing property management company located in Pennsylvania (“PA Agreement”), you will not be able to use some of the Marks and must abide by the provisions of the PA Agreement. If you operate a franchise in Pennsylvania, you will be known as Property Management International.

Except in regard to the license from our Affiliate to use the Marks and the PA Agreement, there are no agreements currently in effect that significantly limit our rights to use or license the use of the Marks in any manner material to the Franchisee or the Business. In some states, while currently unknown, there may be infringing uses or superior previous rights that may materially affect your use of the Marks and said infringement may materially impact the ability of your Business to use some or all of the Marks. Franchisee has no rights to compensation in the event that Franchisor ceases use of, modifies, or otherwise changes the Marks.

You are prohibited from using any name or Marks as part of any corporate name or with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than Marks licensed by us to you). In addition, you may not use any name or Marks in connection with the sale of any unauthorized product or service or in any other manner not explicitly authorized in writing by us.

PMI PROPERTY MANAGEMENT INC & INTL TRADEMARK DOCKET
February 11, 2024 ~~PMI PROPERTY MANAGEMENT INC & INTL TRADEMARK DOCKET~~
~~October 26, 2023~~

TRADEMARK	APPLICATION / REGISTRATION NUMBER	APPLICATION / REGISTRATION DATE	STATUS
Property Management^{INTL}	<u>Apl.# 87/113,662</u> <u>Reg.# 5,102,325</u>	December 13, 2016	Supplemental Register. Renewal <u>filed</u> <u>and accepted due</u> <u>12/13/2025.</u>
	5,141,628	February 14, 2017	Renewal <u>filed</u> <u>and accepted due</u> <u>02/2026.</u>
	5,141,629	February 14, 2017	Renewal <u>due</u> <u>02/2026, filed</u> <u>and accepted</u>

 Property Management <small>INTL</small>	5,150,922	February 28, 2017	Renewal filed <u>and accepted due 02/2026.</u>
 Property Management <small>INC</small>	5,054,662	October 4, 2016	Renewal filed <u>and accepted due 10/2025.</u>
BOOK BY OWNER	<u>85/562,016</u> 4,402,410	September 17, 2013	Renewal filed <u>and accepted due 09/2032.</u>
Making Property Management Manageable	<u>77/482,458</u> 3,667,583	August 11, 2009	To be renewed by August 11, 2028.
<u>LESS WORRY.</u> <u>MORE</u> <u>OPPORTUNITY.</u>	<u>98/217,712</u>	<u>N/A</u>	<u>Pending.</u>
<u>WE OPEN DOORS TO</u> <u>A BETTER LIFE</u>	<u>98/217,703</u>	<u>N/A</u>	<u>Pending.</u>
	<u>98/331,230</u>	<u>N/A</u>	<u>Pending.</u>
	<u>98/331,232</u>	<u>N/A</u>	<u>Pending.</u>
<u>THE</u> <u>PROPERTY</u> <u>MANAGEMENT</u> <u>EXPERTS</u>	<u>98/697,208</u>	<u>N/A</u>	<u>Pending.</u>

We do not have a federal registration for the following principal trademark. Therefore, our trademark does not have many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

PMI CARES	97/811,232 <u>7,336,746</u>	Trademark application filed February 24, 2023; <u>Granted March 25, 2024.</u>	<u>Renewal due 03/2029.</u>
PMI REALTY	97/811,215	Trademark application filed February 24, 2023	Pending
PMI TRAVEL	97/811,211	Trademark application filed February 24, 2023	Pending

We have the right to control any administrative proceedings or litigation involving a Mark licensed to you hereunder. If you learn of any claims or threatened claims involving the Marks, including any unauthorized use of the Marks or any trademark or service mark substantially similar to the Marks, you must promptly notify us and we will, in our sole discretion, take any action or no action as we deem reasonably necessary. We will not indemnify you for any action taken against you by a third-party based solely on alleged infringement, unfair competition, or similar claims about the Marks. Moreover, we have no obligation to defend or indemnify you if the claim against you is related to your use of the Marks. You have no right to make any demand or to prosecute any claim against any alleged infringer, and we will not pay any franchisee for exercising these rights (Franchise Agreement, Section 6).

We have the right to require you to modify or discontinue your use of any of the Marks. If we exercise this right, we will provide all franchisees with as much advance notice as we deem appropriate (Franchise Agreement, Section 6).

In the event the Franchise Agreement is terminated, or it is determined, in our sole and absolute discretion, that the Marks infringe upon the rights of another entity in your state that has superior claim to the Marks or any portion thereof, we have the right to require you to discontinue and cease and desist from the use of all Marks and other material relating to the System. This may result in your Business incurring significant costs and expenses that shall be the sole burden of Franchisee (Franchise Agreement, Section 6).

ITEM 14: PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We do not own any patents or patent applications that are material to the franchise.

We do, however, own proprietary rights in a number of trade-secrets, among them being the use of Franchisor Software, all information, knowledge, and know-how not generally known in the property management business, standards, specifications, systems, procedures, and techniques, including our Operations Manual, accounting and management techniques, and systems. We have established comprehensive security and confidential procedures to maintain the secrecy of all such proprietary information. Any component of the System will be used by you only as described in the Franchise Agreement.

The System for operating a franchised property management company is our Affiliate's proprietary, confidential, and trade secret information. The System includes, but is not limited to: forms, business

(s) Modification of the Agreement	17.4	Only by both parties' written agreement.
(t) Integration/merger clause	17.5	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises made outside the Franchise Disclosure Document and Franchise Agreement may not be enforceable.
(u) Dispute resolution by arbitration or mediation	15	Face-to-face meeting before mandatory mediation; mediation before arbitration. One-year limitation on right of action. All subject to state law.
(v) Choice of Forum	15.3	Face-to-face meeting, mediation, arbitration, and litigation must be in the state of Franchisor's offices (Utah), except as provided in a state-specific addendum attached as Exhibit F, as subject to state law.
(w) Choice of Law	15.3	Utah law applies except as provided in a state-specific addendum attached as Exhibit F, as subject to state law. (See Section 15 of the Franchise Agreement.)

NOTES:

(1) In lieu of termination, we can reduce your Territory or restrict/remove your ability to provide property management services in a particular Pillar, if you breach the terms of your Franchise Agreement. (Franchise Agreement, Section 10.)

(2) If you request our efforts in selling your franchise, there is a five-thousand dollar (\$5,000) sales commission fee or a fee in the amount of 5% of the closed sale price, whichever amount is greater, in addition to the then-current Transfer Fee, currently twelve-thousand dollars (\$12,000). (Franchise Agreement, Section 9.)

The provisions of the Franchise Agreement that provide for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. § 101 *et seq.*).

See Exhibit F of this Disclosure Document for specific state addenda.

ITEM 18: PUBLIC FIGURES

There is no compensation or other benefit given or promised to any public figure arising from either the use of the public figure in the name or symbol of the franchise, or the endorsement or recommendation of the franchise by the public figure in advertisements. There are no public figures presently involved in our management.

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 Franchise 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, 202~~44~~³, we had ~~402377~~ total locations. Based upon data and information for the 202~~34~~ calendar year, we have created the financial performance representations made in this Item 19, detailed in the tables below. The material basis for such representations are as follows:

1. We used only actual historical financial figures, provided from either (i) unaudited financials and operating reports submitted to us by our Franchisees, or (ii) our accounting software, for the full 202~~34~~ calendar year.
2. Data from 6 franchises is not included in the 2024 data because the franchise either failed to provide us with data or the data was incomplete or insufficient;

3. Data for 105 franchises participating in the Residential Pillar is not included because the franchises did not manage any Doors, or the data was incomplete or insufficient;
4. Data for 48 franchises participating in the Association Pillar is not included because the franchises did not manage any Associations, or the data was incomplete or insufficient;
5. Data for 48 franchises participating in the Short-Term Pillar is not included because the franchises did not manage any Keys, or the data was incomplete or insufficient;
6. Data for 134 franchises participating in the Commercial Pillar is not included because the franchises did not manage any Square Feet, or the data was incomplete or insufficient;
7. Other than listed above, the data from all franchises for the full 202~~43~~ calendar year is included in the financial representations made herein. The characteristics of the franchised locations included in the financial representations made herein do not differ materially from the franchises that may be offered to prospective franchisees.
8. In 202~~43~~, ~~21,842~~~~589~~ Doors, ~~46,383~~~~3,579~~ Units in ~~20~~~~40~~ Associations, ~~280~~ Square Feet, and ~~33~~~~53~~ Keys were added through acquisitions from ~~54~~~~32~~ individual transactions.

Table 1

Average Revenue per Unit

This table shows the actual numbers for the Average & Median annual income per Property/Association. “Income” means total revenue generated by Franchisees before any costs or expenses, i.e. royalty fees, advertising fees, etc., excluding pass-through items.

Some Franchisees have earned the amounts referenced below. Your individual results may differ. There is no assurance that you will earn the amounts referenced below.

<u>Revenue per Property or Association</u>	<u>Residential</u>	<u>Commercial</u>	<u>Association</u>	<u>Short-Term Rental</u>
Average	\$ 1,880 2,400	\$ 1,250 1,634	\$ 17,450 12,143	\$ 11,910 9,289
Median	\$ 1,950 2,063	\$ 1,100 1,152	\$ 16,990 9,843	\$ 8,780 7,428

1. We included a total of ~~197~~~~218~~ franchises in the Residential Analysis above. The actual range for the revenue/door was ~~\$124~~~~\$61~~ – \$7,369,000.
2. We included a total of ~~23~~~~9~~ franchises in the Commercial Analysis above. The actual range for the revenue/Commercial Unit was ~~\$237~~~~15~~ – \$8,345,040.
3. We included a total of ~~8~~~~49~~ franchises in the Association Analysis above. The actual range for the revenue/association was ~~\$2,690~~~~13~~ – \$60,111,114,180.
4. We included a total of ~~6~~~~29~~ franchises in the Short-Term Rental Analysis above. The actual range for the revenue/key was ~~\$1,340~~~~458~~ – \$42,561,62,690.

<u>Annual Revenue Per Business</u>	<u>Residential</u>	<u>Commercial</u>	<u>Association</u>	<u>Short-Term</u>
Average	\$296,389	\$29,644	\$176,973	\$211,135

Table 2
Average Property/
Association Count

This table shows the actual numbers for Average & Median property/association count for Doors, Associations, Keys, and Commercial Units by Franchisee.

Some Franchisees have sold the Units referenced below. Your individual results may differ. There is no assurance that you will sell the number of Units referenced below.

<u>Average Unit Count</u>	<u>Residential</u>	<u>Commercial</u>	<u>Association</u>	<u>Short-Term Rental</u>
Average	138 124	18 27	15 14	23 23
Median	99	8	8	14

1. We included a total of ~~197~~218 franchises in the Residential Analysis above. The actual range of Doors was ~~1~~ – 2120
2. We included a total of ~~23~~29 franchises in the Commercial Analysis above. The actual range of Commercial Units was 1 – ~~140~~237.
3. We included a total of ~~8~~49 franchises in the Association Analysis above. The actual range for Associations was 1 – ~~140~~129.
4. We included a total of ~~6~~29 franchises in the Short-Term Rental Analysis above. The actual range for Keys was 1 – ~~140~~217.

Income per Door is comprised of the following:

1. Residential Doors
 - a. Management fees ranging from 4% to 12% of gross monthly rents; and
 - b. Recurring or one-time ancillary property management and other real estate services, with fees/charges/markups ranging from \$1.00 to thousands of dollars, paid by property owners, tenants, service providers, and vendors.
2. Commercial Square Feet
 - a. Management fees ranging from ~~4~~2% to 8% of gross monthly rents; and
 - b. Recurring or one-time ancillary property management and other real estate services, with fees/charges/markups ranging from \$1.00 to thousands of dollars, paid by property owners, tenants, service providers, and vendors.

Income per Unit is comprised of the following:

1. Association Units
 - a. Monthly management fees typically range from \$16.00 to \$7,800.00 per Association Unit; and
 - b. Recurring or one-time ancillary property management and other real estate services, with fees/charges/markups ranging from \$1.00 to hundreds of dollars, paid by service providers, vendors, and Associations.

Income per Key is comprised of the following:

1. Short-Term Rental Keys

- a. Management fees ranging from 10% to 40% of gross monthly rents; and
- b. Recurring or one-time ancillary property management and other real estate services, with fees/charges/markups ranging from \$1.00 to hundreds of dollars, paid by property owners, tenants, guests, service providers, and vendors.

Written substantiation for the financial performance representations made in this Item 19 will be made available to the prospective franchisee upon reasonable request.

Some PMI franchises have earned the amounts or sold the units referenced in Table 1 and Table 2, above. Your individual results may differ. There is no assurance you'll earn or sell as much.

Table 3
Average Annual Revenue Per Pillar

Average Annual Revenue Per Pillar	Residential	Commercial	Association	Short-Term Rental
Average	\$259,68096,389	\$30,81529,643	\$176,972249,270	\$211,135275,380

We have 66 Franchise Locations that operate in multiple pillars. This group of franchisees **earns** **generates** an average **revenue** of \$490,760 annually.

Other than the numbers contained in this Item 19, PMI 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 the actual records of the 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 Steven Hart at the email of info@PropertyManagementInc.com, via telephone at (801) 669-5952, or via mail at 2901 W Bluegrass Blvd, Suite 420, Lehi, Utah 84043, and also to the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table 1

SYSTEMWIDE OUTLET SUMMARY

For Years 202~~2~~ to 202~~4~~3

<u>Outlet Type</u>	<u>Year</u>	<u>Outlets at the Start of the Year</u>	<u>Outlets at the End of the Year</u>	<u>Net Change</u>
<i>Franchised</i>	2022	354	374	20
	2023	374	377	3
	<u>2024</u>	<u>378</u>	<u>402</u>	<u>24</u>
<i>Company Owned</i>	2022	2	2	0
	2023	2	0	2
	<u>2024</u>	0	0	<u>0</u>
<i>Total Outlets*</i>	2022	356	376	20
	2023	376	377	1
	<u>2024</u>	<u>377</u>	<u>400</u>	<u>23</u>

***The total number of Open Franchised Outlets, 377 at the Start of the Year in 2024, includes 374 U.S. Franchised Outlets and three International Franchised Outlets—PMI Costa Rica, PMI Curaçao, and PMI Malta—which remained unchanged at the End of the Year.**

Table 2

**TRANSFERS OF OUTLETS FROM FRANCHISEES TO
NEW OWNERS (OTHER THAN THE FRANCHISOR)**

For Years 2022 to 2024

<u>State</u>	<u>Year</u>	<u>Number of Transfers</u>
Arizona	2022	0
	2023	1
	<u>2024</u>	0
California	2022	3
	2023	4
	<u>2024</u>	0
Colorado	2022	1
	2023	0
	<u>2024</u>	0
Florida	2022	3
	2023	4
	<u>2024</u>	0
Georgia	2022	1
	2023	0
	<u>2024</u>	0
Michigan	2022	0
	2023	0
	<u>2024</u>	0
Missouri	2022	0
	2023	0
	<u>2024</u>	0

Nevada	2022	0
	2023	1
	<u>2024</u>	0
New Jersey	2022	0
	2023	0
	<u>2024</u>	0
New York	2022	0
	2023	0
	<u>2024</u>	0
North Carolina	2022	0
	2023	1
	<u>2024</u>	2
South Carolina	2022	1
	2023	0
	<u>2024</u>	0
Tennessee	2022	0
	2023	1
	<u>2024</u>	0
Texas	2022	1
	2023	1
	<u>2024</u>	0
Utah	2022	2
	2023	0
	<u>2024</u>	0
Virginia	2022	0
	2023	1

	<u>2024</u>	0
TOTAL	2022	12
	2023	14
	<u>2024</u>	2

Table 3

STATUS OF FRANCHISED OUTLETS

For Years 2022 to 2024

<u>State</u>	<u>Year</u>	<u>Outlets at Start of Year</u>	<u>Outlets Opened</u>	<u>Terminations</u>	<u>Non-Renewals</u>	<u>Reacquired by Franchisor</u>	<u>Ceased Operations- Other Reasons</u>	<u>Outlets at End of Year</u>
Alabama	2022	3	2	1	0	0	0	4
	2023	4	1	0	0	0	0	5
	2024	<u>5</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
Alaska	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Arizona	2022	11	2	0	1	0	0	12
	2023	12	1	0	0	0	0	13
	2024	<u>13</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16</u>
Arkansas	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
California	2022	32	0	0	0	0	0	32
	2023	32	4	1	1	0	0	34
	2024	<u>34</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	0	<u>35</u>
Colorado	2022	25	1	0	0	0	0	26
	2023	26	0	3	0	0	0	23
	2024	<u>23</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>21</u>
Connecticut	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	<u>2</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	0	<u>1</u>
<u>Delaware</u>	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>1</u>	<u>0</u>	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Florida	2022	49	6	1	<u>0</u>	<u>0</u>	<u>0</u>	<u>56</u>
	2023	56	6	8	<u>0</u>	<u>0</u>	<u>0</u>	<u>54</u>
	2024	<u>54</u>	<u>13</u>	<u>4</u>	<u>0</u>	<u>0</u>	0	<u>63</u>
<u>Georgia</u>	<u>2022</u>	<u>18</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18</u>

	<u>2023</u>	<u>18</u>	<u>5</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>22</u>
	<u>2024</u>	<u>22</u>	<u>0</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>19</u>
Hawaii	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Idaho	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	<u>4</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
Illinois	2022	6	1	0	0	0	0	7
	2023	7	1	0	0	0	0	8
	2024	<u>7</u>	<u>4</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>
Indiana	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
	2024	<u>8</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>
Iowa	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Kansas	2022	4	1	0	0	0	0	5
	2023	5	0	1	0	0	0	4
	2024	<u>4</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
Kentucky	2022	2	0	0	1	0	0	1
	2023	1	0	0	0	0	0	1
	2024	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Louisiana	2022	4	1	0	0	0	0	5
	2023	5	0	1	0	0	0	4
	2024	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
Maine	2022	1	0	0	0	0	0	1
	2023	1	0	1	0	0	0	0
	2024	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Maryland	2022	8	2	0	0	0	0	10
	2023	10	3	1	0	0	0	12
	2024	<u>12</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16</u>
Massachusetts	2022	8	0	3	0	0	0	6
	2023	6	0	1	0	0	0	5
	2024	<u>5</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
Michigan	2022	5	0	1	0	0	0	4
	2023	4	0	1	0	0	0	3
	2024	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
Minnesota	2022	7	0	1	0	0	0	6
	2023	6	0	1	0	5	0	5
	2024	<u>5</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
Mississippi	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>

Missouri	2022	4	1	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	<u>5</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
Montana	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Nebraska	2022	1	0	0	0	0	0	1
	2023	1	0	1	0	0	0	0
	2024	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Nevada	2022	5	1	0	0	0	0	6
	2023	6	0	0	0	0	0	6
	2024	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
New Hampshire	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	2024	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
New Jersey	2022	8	1	1	0	0	0	8
	2023	8	2	1	0	0	0	9
	2024	<u>9</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>
New Mexico	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
New York	2022	9	3	0	0	0	0	12
	2023	12	1	1	0	0	0	12
	2024	<u>12</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12</u>
North Carolina	2022	8	2	1	0	0	0	6
	2023	9	3	0	0	0	0	12
	2024	<u>12</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14</u>
North Dakota	2022	1	0	1	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ohio	2022	7	1	0	0	0	0	8
	2023	8	0	1	0	0	0	7
	2024	<u>7</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	0	<u>9</u>
Oklahoma	2022	3	0	1	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Oregon	2022	4	0	1	0	0	0	3
	2023	3	0	1	0	0	0	2
	2024	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
Pennsylvania	2022	3	1	0	0	0	0	4
	2023	4	0	1	0	0	0	3
	2024	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
Puerto Rico	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2

	2024	2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	2
Rhode Island	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	0	<u>1</u>
South Carolina	2022	7	1	0	0	0	0	8
	2023	8	0	1	0	0	0	7
	2024	<u>7</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	0	<u>6</u>
<u>South Dakota</u>	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2024</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Tennessee	2022	14	2	0	0	0	0	16
	2023	16	0	1	0	0	0	15
	2024	<u>15</u>	<u>0</u>	<u>1</u>	<u>0</u>	0	<u>0</u>	14
Texas	2022	39	4	3	0	0	0	40
	2023	40	4	4	0	0	0	40
	2024	<u>40</u>	<u>5</u>	4	<u>0</u>	<u>0</u>	<u>0</u>	<u>41</u>
Utah	2022	11	1	0	0	0	0	12
	2023	12	0	0	0	0	0	12
	2024	<u>12</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12</u>
Virginia	2022	10	1	1	0	0	0	10
	2023	10	1	1	0	0	0	10
	2024	<u>10</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13</u>
Washington	2022	2	3	1	0	0	0	4
	2023	4	2	0	0	0	0	6
	2024	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
<u>West Virginia</u>	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2024</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Wisconsin	2022	5	0	0	0	0	0	5
	2023	5	1	0	0	0	0	6
	2024	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
<u>Wyoming</u>	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2024</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
TOTAL <u>S</u>	2022	351	39	17	2	0	0	371
	2023	371	37	33	1	0	0	374
	2024	374	45	<u>22</u>	0	0	0	397

Table 4

STATUS OF COMPANY OWNED OUTLETS

For Years 2022 to 2024

<u>State</u>	<u>Year</u>	<u>Outlets at Start of Year</u>	<u>Outlets Opened</u>	<u>Outlets Reacquired from Franchisee</u>	<u>Outlets Closed</u>	<u>Outlets Sold to Franchisee</u>	<u>Outlets at End of Year</u>
Utah	2022	2	0	0	0	0	2
	2023	2	0	0	2	0	0
	2024	0	0	0	0	0	0
TOTAL	2022	2	0	0	0	0	2
	2023	2	0	0	2	0	0
	2024	0	0	0	0	0	0

Table 5

PROJECTED OPENINGS AS OF DECEMBER 31, 2024

<u>State</u>	<u>Franchise Agreements Signed but Outlet Not Opened</u>	<u>Projected New Franchised Outlets in the Next Fiscal Year</u>	<u>Projected New Company Owned Outlets in the Next Fiscal Year</u>
Alabama	0	1	0
Alaska	0	0	0
Arizona	0	1	0
Arkansas	1	1	0

California	5	4	0
Colorado	2	1	0
Connecticut	2	1	0
Delaware	0	0	0
Florida	7	4	0
Georgia	1	2	0
Hawaii	0	0	0
Idaho	0	0	0
Illinois	1	2	0
Indiana	0	2	0
Iowa	0	1	0
Kansas	0	0	0
Kentucky	0	0	0
Louisiana	1	1	0
Maine	0	1	0
Maryland	1	1	0
Massachusetts	0	1	0
Michigan	0	1	0
Minnesota	0	1	0

Mississippi	0	0	0
Missouri	2	1	0
Montana	1	0	0
Nebraska	0	0	0
Nevada	0	1	0
New Hampshire	1	0	0
New Jersey	0	2	0
New Mexico	0	0	0
New York	1	2	0
North Carolina	5	1	0
North Dakota	0	0	0
Ohio	1	1	0
Oklahoma	1	1	0
Oregon	0	1	0
Pennsylvania	1	2	0
Puerto Rico	0	0	0
Rhode Island	0	0	0
South Carolina	4	1	0

South Dakota	1	0	0
Tennessee	2	1	0
Texas	5	2	0
Utah	0	1	0
<u>Vermont</u>	<u>0</u>	<u>0</u>	<u>0</u>
Virginia	1	2	0
Washington	1	1	0
Wisconsin	0	1	0
Wyoming	0	0	0
TOTAL	48	47	0

Exhibit D to this Disclosure Document lists the names of all franchisees and the addresses and telephone numbers of their outlets as of December 31, ~~2023~~2024. Exhibit D also contains the names of all franchisees and the addresses and telephone numbers of their outlets that have signed franchise agreements but were not open as of December 31, ~~2023~~2024.

Exhibit E to this Disclosure Document lists the name, city, and state, and the 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 has 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 enter or leave the franchise system.

During the last three fiscal years, we have signed confidentiality clauses with current and former franchisees. In some instances, current or former franchisees may sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

PMI does not sponsor a trademark-specific franchisee ~~association~~association, and no independent trademark-specific franchisee association has requested to be included in this Disclosure Document.

ITEM 21: FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit G are our audited financial statements dated February ~~26~~24, 2025, for the fiscal years ending December 31, 2024, December 31, 2023, December 31, 2022, ~~and December 31, 2021~~. Our fiscal year end is December 31st.

ITEM 22: CONTRACTS

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

- Exhibit A List of State Agencies/Agents for Service of Process
- Exhibit B Franchise Agreement and all Addenda
- Exhibit C PMiWAY Table of Contents
- Exhibit D Current Franchisees
- Exhibit E Franchisees That Have Left the System
- Exhibit F _____ State-Specific Addenda (if applicable)
- Exhibit G _____ Financial Statements
- Exhibit H _____ State Effective Dates and Receipts

ITEM 23: RECEIPT

Exhibit H of the Disclosure Document is a detachable document acknowledging receipt of the Disclosure Document by you. Please date and sign this document, keep a copy for yourself, and return one originally executed copy to us immediately.

FRANCHISE AGREEMENT



THIS CONTRACT IS SUBJECT TO ARBITRATION

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PROPERTY MANAGEMENT INCORPORATED FRANCHISE, LLC FRANCHISE AGREEMENT

This Franchise Agreement (“**Agreement**”) is entered into as of _____ (the “**Effective Date**”) by and between Property Management Incorporated Franchise, LLC, a Wyoming limited liability company, having a principal place of business at 2901 W Bluegrass Blvd, Ste 420, Lehi, Utah 84043 (“**PMI**” or “**Franchisor**”), and _____, and having a principal place of residence located at _____ (“**Franchisee**”). Franchisor and Franchisee may be referred to as “**Party**” or the “**Parties**”.

RECITALS

Franchisor’s Affiliate, PMI Investments, LLC (“**PMII**”), has developed a proprietary system (“**System**”) for establishing, operating, and marketing a property management and real estate services company (“**Business**”) that provides franchisees with an opportunity to operate a Business, in a specific geographic area to the following real estate sectors: (i) Residential, (ii) Association, (iii) Commercial and (iv) Short-Term Rental, (as those terms are defined herein), using the service marks, trademarks, trade names, and logos (collectively, the “**Marks**”) that PMII owns or has rights to license and other copyrighted materials, marketing methods and materials, proprietary property management processes, customer reporting procedures, operating PMiWAY, and Franchisor Software (as defined herein). PMII has licensed to Franchisor the right to sub-license the Marks to Franchisee in conjunction with PMII’s System for operating a Business. Pursuant to this Agreement, Franchisor will grant Franchisee the right to operate a Business using the System.

In consideration of the mutual covenants, agreements, terms, and conditions outlined herein, the Parties agree as follows:

SECTION 1

DEFINITIONS, GRANT OF FRANCHISE RIGHTS, AND RESERVATION OF RIGHTS

1.1 **Definitions:** As used in this Agreement, the following capitalized terms shall have the following meanings:

1.1.1 “**Accounting Software**” shall mean the system used by Franchisee for operational accounting.

1.1.2 “**Advisor(s)**” shall mean agents, advisors, directors, and consultants PMI may hire, employ, or consult in the management of its operations and franchising endeavors.

1.1.3 “**Affiliate(s)**” shall mean any person or entity directly or indirectly controlling, controlled by, or under common Control or common ownership with a Party.

1.1.4 “**Annual Summit**” shall mean an annual meeting of PMI’s franchisees wherein PMI will provide updated policies and procedures, new initiatives, break-out seminars, and recognition of new and outstanding franchisees.

1.1.5 “**Approved Vendor(s)**” shall mean Franchisor-approved suppliers and vendors of products and services that Franchisee may use in the Business as designated in PMiWAY or other written communication with you.

1.1.18 “**Confidentiality and Non-Competition Agreement**” or “**Confidentiality Agreement**” shall mean an agreement substantially in the form of Addendum F.

1.1.19 “**Control**” shall mean the power to direct or cause the direction of the management and policies of an entity and shall be deemed to exist if any person or entity directly or indirectly owns, controls, or holds the power to vote greater than fifty percent (50%) or more of the voting securities of such other entity.

1.1.20 “**Continuing Education**” shall mean programs, seminars, conferences, conventions, and continuing education provided or offered by Franchisor to Franchisee after the Training Program has been completed and occurring over the Term of the Franchise Agreement.

1.1.21 “**Customer(s)**” or “**Client(s)**” shall mean persons and/or businesses which have used Franchisee’s property management services or Brokerage.

1.1.22 “**Customer List**” shall mean a list of names and other identifying information of persons and businesses, created by Franchisee in operating the Business, which have used Franchisee’s property management services or Brokerage.

1.1.23 “**Day(s)**” shall mean calendar days.

1.1.24 “**Digital Essentials PackageMarketing Program**” shall mean a suite of digital marketing services provided by Franchisor, including, but not limited to: a website with monthly hosting and maintenance, online reputation management, widget and software integrations, tenant and owner portals, custom landing pages, search engine optimization content, management of the Business listing, call tracking, reporting dashboard and analytics, and priority customer service. social media services, video creation, digital marketing strategies, creation and development of digital content, local web marketing, and link building.

1.1.25 “**Door(s)**” shall mean a Residential space with a physical address that may be rented, leased, or sold. (Franchisor sometimes refers to Commercial Units as ‘Square Feet.’)

1.1.26 “**EFT**” shall mean electronic funds transfer.

1.1.27 “**EPMC**” shall mean an existing property management company that converts its business to be a PMI franchisee.

1.1.28 “**Extraordinary Training**” shall mean additional training and education outside of the normal scope of the Training Program and provided to the Franchisee, for a fee, upon Franchisee’s request, and upon Franchisor’s approval.

1.1.29 “**Franchise Disclosure Document**” or “**Disclosure Document**” or “**FDD**” shall mean the legal document which is presented to prospective buyers of franchises in the pre-sale disclosure process.

1.1.30 “**Franchise Fee**” shall mean the required fee to be paid by Franchisee to Franchisor upon the Effective Date of the Agreement.

1.1.31 “**Franchisor Software**” or “**PMI Software**” shall mean all software solutions required or offered by Franchisor to Franchisee pursuant to this Agreement, including but not limited to PMiSOFT,

PMiWARE, PMiSTR, PMiPrograms, Accounting Software, and PMiWorkFlow.

1.1.32 “**General Release**” or “**Release**” shall mean an agreement substantially in the form of Addendum D.

1.1.33 “**Gross Revenue**” shall mean the total revenue and receipts collected through the operation of the Business, and entities affiliated with Franchisee, including but not limited to, all revenue from property management and maintenance services (including separate maintenance entities), leasing fees, booking and guest fees, and all other revenue the Business generates, (excluding Brokerage, and all federal, state, or municipal sales, use, or service, or sales taxes collected from customers or clients).

1.1.34 “**Guarantor(s)**” shall mean the person or persons who are required to execute the Guaranty of Franchisee’s Obligations, included as Addendum G.

1.1.35 “**Guaranty of Franchisee’s Obligations**” or “**Guaranty**” shall mean a document substantially in the form of Addendum G.

1.1.36 “**Initial Term**” shall have the meaning set forth in Section 4.1.

1.1.37 “**Intellectual Property**” shall mean each and every component of the System, including but not limited to the Marks, each component of Franchisor’s Confidential Information (including its copyrighted materials), and all of the rest of the confidential matters, procedures, methods of operation, systems, techniques, pricing, accounting systems and procedures, specifications, Manual, Materials, business plans, and marketing.

1.1.38 “**Interim Period**” shall have the meaning set forth in Section 4.3.

1.1.39 “**Key(s)**” shall mean a Residential space with a physical address that is rented as a Short-Term Rental.

1.1.40 “**Late Fee(s)**” shall mean a fee of fifty dollars (\$50) per each day that (i) any payment due and owing under the Agreement is late, or (ii) reports, filings, or statements required under the Agreement are late, plus the highest applicable legal rate for open account business credit, or if there is no maximum, not less than the rate of one and a half percent (~~1.5~~%) per month.

1.1.41 “**Local Advertising Quota**” shall mean Franchisee’s monthly obligation to spend at least one-thousand five-hundred dollars (\$1,500.00) for the first pillar, and one-thousand dollars (\$1,000) for each subsequent pillar added, on Territory advertising activities, which monthly obligation commences on the earlier of (i) the first calendar day of the month following the Opening Date or (ii) no later than one-hundred eighty (180) Days after the Effective Date of the Franchise Agreement.

1.1.42 “**Operations Manual**” shall mean PMiWAY and shall be referred to as the Franchisor’s Operations Manual or Manual.

1.1.43 “**Mark(s)**” means the trademarks, service marks, and trade dress that we authorize you to use in the Operations Manual (PMiWAY), including all additional or substitute trademarks, service marks, and trade dress that we may authorize you to use.

1.1.44 “**Material(s)**” shall mean any written or online materials, accessed by Franchisee, provided or presented to Franchisee by Franchisor, or loaned to Franchisee by Franchisor, which relate to the Business

and the System, including manuals, supplements, brochures, written procedures, presentations, memoranda, emails, and information posted on Franchisor's website, in print or electronic form.

1.1.45 **"National Account"** shall mean outside companies or vendors for which Franchisor has entered into a relationship, that may produce referrals for Franchisee.

1.1.46 **"Office"** means any authorized office covered by this Agreement as of the Effective Date or later added by a writing signed by both parties.

1.1.47 **"Opener"** shall mean a six-week program that runs concurrently with Training and consists of weekly phone calls, status updates, and tasks associated with opening a new Business.

~~1.1.47~~1.1.48 **"Opening Date"** shall mean the date the franchise has (a) successfully completed the Training Program, (b) graduated from Workshop, and (c) received written confirmation from Franchisor that all pre-opening requirements have been satisfied and that the franchise is authorized to begin offering goods and services to customers.

~~1.1.48~~1.1.49 **"Opening Deadline"** shall mean the date upon which Franchisee will be required to open the Business, being the earlier of (i) Franchisee's completion of the Training Program or (ii) one hundred twenty-eighty (~~120~~180) Days after the Effective Date of the Franchise Agreement.

~~1.1.49~~1.1.50 **"Owner(s)"** shall mean the individuals that entered into the Franchise Agreement as the Franchisee, or if a business entity entered into the Franchise Agreement as the Franchisee, the shareholders, members, partners, or other owners of such entity.

~~1.1.50~~1.1.51 **"Pillars"** shall mean the four property management industry sectors — Residential, Commercial, Association, and Short-Term Rentals.

(a) **"Primary Pillar"** shall mean the first property management industry sector (e.g. Residential) that Franchisee chooses to provide as part of its Business, and for which Franchisee is required to complete Franchisor's Pillar Certification.

1.1.52 **"Additional Pillar"** shall mean any additional property management industry sector(s) (e.g. Commercial, Association, Short-Term Rentals) beyond Franchisor's Primary Pillar (or for an EPMC, a Pillar not provided by the EPMC prior to converting to a PMI franchise), that upon the terms and conditions outlined in Section 2.4 herein, Franchisee may subsequently provide as part of its Business.

~~1.1.51~~1.1.53 **"Pillar Certification"** shall mean the successful completion of (i) the Training Program, (ii) Workshop, and (iii) PMiLAUNCH for an individual Pillar.

~~1.1.52~~1.1.54 **"PMiBOOKS"** shall mean Franchisor's temporary bookkeeping assistance and training services provided to Franchisees, available for any Doors, Units, Keys, and Square Feet under Franchisee's management Manual.

1.1.55 **"PMiWAY"** shall mean Franchisor's virtual back office, including the Operations.

1.1.56 **"PMiLAUNCH"** shall mean a task-based implementation program that helps Franchisee take advantage of and participate in Franchisor's programs, and which occurs following Franchisee's completion of Workshop.

~~1.1.1~~

~~1.1.2 “PMiLAUNCH” shall mean a task-based implementation program that helps Franchisee take advantage of and participate in Franchisor’s programs, and which occurs following Franchisee’s completion of Workshop.~~

~~1.1.53~~1.1.57 “PMiPrograms” shall mean software solutions and programs provided by Franchisor to Franchisee consisting of, but not limited to, reputation management, lead management, and referral management services.

~~1.1.54~~1.1.58 “PMiSOFT” shall mean Franchisor’s customized software solution for Residential and Commercial management.

1.1.59 “PMiSTORE” shall mean a dedicated website where franchisees can order PMI marketing and branding materials and apparel.

~~1.1.55~~1.1.60 “PMiSTR” shall mean Franchisor’s Short-Term Rental management software.

~~1.1.56~~1.1.61 “PMiWARE” shall mean Franchisor’s Association management software.

~~1.1.57~~1.1.62 “PMiWorkFlow” shall mean Franchisors workflow management software.

1.1.63 “Portfolio” shall mean an existing portfolio of Doors, Units, Square Feet, and/or Keys.

~~1.1.58~~1.1.64 “Preferred Vendor” shall mean third-party vendors which contract with Franchisor to provide products or services to Franchisor’s franchisees.

~~1.1.59~~1.1.65 “Principal Operator” shall mean a person, designated to act as the general manager of Franchisee’s Business and who is authorized to oversee the management of the Business and direct the delivery of property management services, leasing, and real estate Brokerage services.

~~1.1.60~~1.1.66 “Renewal Term” shall have the meaning set forth in Section 4.1.

~~1.1.61~~1.1.67 “Residential” shall mean single and multi-family homes, apartments, multi-family, condominiums, mobile homes, and other residential dwellings.

~~1.1.62~~1.1.68 “Royalty” or “Royalties” shall mean a monthly fee owed to Franchisor by Franchisee that is (i) 5% of Brokerage, plus (ii) a tiered percentage of Gross Revenue as follows: the greater of 7% of Gross Revenue up to \$35,000 or \$350, \$700, \$1,050 based on the number of TSQ months including and following Opening Date, plus 6% of Gross Revenue from \$35,001 – \$75,000, plus 5% on Gross Revenue above \$75,001, plus (iii) 0.5% of rents collected on self-owned rental Doors and Square Feet, and 1% booking revenue collected on Keys. ~~You must produce a minimum of \$5,000 in Gross Revenue in month 12 from the completion of Workshop (“Territory Sales Quota” or TSQ), per Pillar and a minimum TSQ of \$10,000 in Gross Revenue in month 24 from the completion of Workshop per Pillar and a minimum TSQ of \$16,000 in Gross Revenue in month 36 from the completion of Workshop per Pillar. If you fail to meet your TSQ, we may reduce the geographic size of the Territory to an area we determine and sell an additional franchise in your Territory or terminate the Franchise Agreement. Minimum Royalty will be calculated accordingly, based on the TSQ thresholds. Royalty will be calculated as defined above, at the greater of 7% or \$350 through month 24, the greater of 7% or \$700 for months 25-36, and the greater of \$7% or \$1,050.~~

~~1.1.63~~1.1.69 “**Self-Owned Doors, Keys, Square Feet**” shall mean any Doors, Keys, or Square Feet owned and/or managed by the Franchisee or Affiliates, which are exempt from property management fees.

~~1.1.64~~1.1.70 “**Short-Term Rental(s)**” shall mean Residential properties used for vacation, corporate and executive housing, relocation, and other short-term rentals.

~~1.1.65~~1.1.71 “**Statement of Ownership**” shall mean a document substantially in the form of Addendum B.

1.1.72 “**System**” shall mean PMII’s proprietary system, including but not limited to, the Marks, business techniques, systems, software, procedures, forms, business procedures, techniques, the manner and method of training, Franchisor Software, Operation Manual and Materials, standards and procedures for use in the day-to-day operation of the Business, methods for finding Customers and service providers, names and other identifying information of service providers who will participate in the System, the terms of, and negotiations relating to past or current Franchise Agreements, the economic and financial characteristics of the System, any copyrighted information owned by us or Franchisor’s Affiliates (including this Disclosure Document), the Franchise Agreement, the Manual, and Materials, and the persons, corporations, or other entities which are, have been, or become franchisees.

1.1.73 “**Term**” shall mean the Initial Term and the Renewal Term, collectively.

~~1.1.66~~1.1.74 “**Territory**” shall mean the non-exclusive geographic area wherein Franchisee will operate Franchisee’s Business, as specified in Addendum C.

~~1.1.67~~1.1.75 “**Territory Sales Quota**” or “**TSQ**” means you must produce a minimum of \$5,000 in Gross Revenue in month 12 from ~~the completion of Workshop~~Opening Date per pillar, and a minimum of \$10,000 in Gross Revenue by month 24, and a minimum of \$15,000 in Gross Revenue in month 36.

~~1.1.68~~1.1.76 “**Trade List**” shall mean a list of service providers that provide services Franchisee’s Customers, compiled by Franchisee.

~~1.1.69~~1.1.77 “**Training**” shall mean a six-week program that runs concurrently with Opener and consists of weekly live calls and video training covering numerous topics related to property management and Business operations.

~~1.1.70~~1.1.78 “**Training Program**” shall mean PMI’s training program that consists of both Training and Opener, after which Franchisee can open for Business.

~~1.1.71~~1.1.79 “**Transfer**” shall mean the voluntary, involuntary, direct or indirect assignment, sale, gift, pledge, mortgage, or other disposition of any interest in: (i) the Franchise Agreement; (ii) the ownership of Franchisee’s business entity; or (iii) any Assets of the Business (other than in the normal course of business).

~~1.1.72~~1.1.80 “**Unit(s)**” shall mean an individual space with a physical address that is located within a common-interest community or that is managed, governed, or overseen by a cooperative or Association.

~~1.1.73~~1.1.81 “**Workshop**” shall mean an in-person workshop that Franchisee is required to attend, which occurs over a period of approximately five (5) Days at a location designated by Franchisor, and

SECTION 2

OPENING DEADLINE, TERRITORY, AND EQUIPMENT

2.1 Opening Deadline. Franchisee will be required to open for business on the earlier of (i) Franchisee's completion of the Training Program and Workshop or (ii) one hundred twenty (180) Days after the Effective Date of the Franchise Agreement ("Opening Deadline"). Franchisor may extend the Opening Deadline for a reasonable time (not to exceed thirty (30) Days) in the event factors beyond Franchisee's reasonable control prevent Franchisee from meeting the Opening Deadline, if an extension is requested in writing from Franchisee at least thirty (30) Days before the expiration of the Opening Deadline. ~~Beginning on the Opening Deadline you shall be responsible for the Territory Sales Quota and Minimum Royalty regardless of whether you have opened the Office or not.~~ The typical length of time between signing a Franchise Agreement and opening a PMI Business depends upon full-time or part-time efforts in the day-to-day management of the PMI Business and can be 90 to 180 days.

2.2 Territory. Franchisor and Franchisee have agreed upon the non-exclusive geographic area ("**Territory**") wherein Franchisee will operate Franchisee's Business, as detailed in Addendum C. Franchisee's Territory is delineated by county lines, boundary streets, highways, city, county, state, and/or United States Post Office zip code boundaries. The boundaries of the Territory will not be adjusted without Franchisor's written consent regardless of whether the population of the Territory increases or decreases over time. Franchisor has the right to award a franchise per authorized Pillar for every 50,000 in population density, according to the most recent U.S. Census data. When the population reaches 50,001, Franchisor has the right to award an additional franchise in the territory. As set forth in Section 2.2, Franchisee understands and acknowledges that Franchisee's Business will not be insulated or protected from competition from any other Businesses utilizing the System. Franchisee may have competition with other businesses located within the same Territory. This competition with other businesses cannot be eliminated. Additionally, Franchisee may face competition from other franchises, from outlets Franchisor or its Affiliates own, or from other channels of distribution or competitive brands that Franchisor cannot control.

2.2.1 Territory Sales Quota. You must produce a minimum of \$5,000 in Gross Revenue in month 12 from the completion of Workshop ("**Territory Sales Quota**" or TSQ), per Pillar and a minimum TSQ of \$10,000 in Gross Revenue in month 24 from the completion of Workshop per Pillar and a minimum TSQ of \$15,000 in Gross Revenue in month 36 from the completion of Workshop per Pillar. If you fail to meet your TSQ, we may reduce the geographic size of the Territory to an area we determine and sell an additional franchise in your Territory, or we may terminate the Franchise Agreement. ~~Minimum Royalty will be calculated accordingly, based on the TSQ thresholds. Royalty will be calculated as defined above, at the greater of 7% or \$350 through month 24, the greater of 7% or \$700 for months 25-36, and the greater of 7% or \$1,050.~~

2.2.2 Non-Exclusive. The license granted by Franchisor to Franchisee is non-exclusive, during the Initial Term, any Interim Period, and any Renewal Term.

2.2.2.2.3 Marketing and Solicitation within Territory. Franchisee may not advertise and solicit business outside Franchisee's Territory including, without limitation, direct mail, search engine optimization keywords, search engine marketing, solicitations, and advertising which specifies areas outside Franchisee's Territory, without Franchisor's prior written consent. Notwithstanding the foregoing, if Franchisee receives a lead from outside of Franchisee's Territory that is not the result of advertising or solicitation of business by Franchisee, Franchisee may service that lead. In addition, if any of Franchisee's

Pillar, Franchisee can only do so upon meeting the following criteria: (i) Franchisor determines, in its sole discretion, that Franchisee is properly trained and successfully providing services in its Primary Pillar; (ii) Franchisee is in full compliance with this Agreement, including all monies owed to Franchisor; (iii) Franchisee pays Franchisor a fee of ten-thousand dollars (\$10,000) (“**Additional Pillar Fee**”), for each Additional Pillar. If Franchisee is an EPMC at the time of contract expiration, Franchisee agrees to contact Franchisor and utilize Franchisor’s acquisition team to help sell either or both the Franchise and the Franchisee’s assets. Franchisee agrees to give Franchisor one (1) Year to assist in sale or transfer. Should the Franchisee sell or transfer the business to a non-related entity, Franchisor retains the right to charge a fee of 20% of the sales price on the transaction. An EPMC that is already providing property management services in multiple Pillars ~~Franchisee~~ will be allowed to continue providing its existing Pillars without the Additional Pillar Requirements. However, following the Effective Date of this Agreement, should such Franchisee add an Additional Pillar, Franchisee must meet the Additional Pillar Requirements.

Compliance – Local, State, and Federal.

2.4.1 Necessary Licensure. Franchisee and certain Franchisee employees or contractors must obtain all necessary business licenses, certificates, and permits, as well as real estate and property management licenses required by the city, county, state, and country in which Franchisee will be operating the Business. Franchisee will also be required to conform to any taxation requirements of its locale. Virtually all states will require that Franchisee have licenses necessary to deliver the services contemplated herein. Franchisor has no responsibility or obligation to help Franchisee secure the required licenses or to find licensed real estate brokers/agents for the Franchisee to contract with, where required. Some states require that the Franchisee have (or properly affiliate/contract with) a licensed real estate and/or broker to run the Business. If Franchisee’s Territory resides in one of such states, prior to the Opening Deadline, you must provide PMI with the name, address, and licensure information of the real estate and/or broker that will be affiliated with your Business. If this agent/broker information changes at any time during the Term of this Agreement, you must immediately provide PMI with the updated information.

2.4.2 Trust Accounts. Franchisee must strictly comply with the relevant federal, state and local laws related to the operation of the Business and the services provided. Franchisor has no obligation to know, understand, educate Franchisee, or ensure Franchisee’s compliance with such laws. Such laws include specific regulation regarding Customer trust accounts. Franchisee must reconcile its Customer trust accounts, at all times, according to the laws within the state where Franchisee’s Territory resides.

- (a) If Franchisee is not in compliance with state, county, and city regulations applicable to trust accounts, Franchisor may terminate this Agreement or require Franchisee to pay Franchisor to reconcile Franchisee’s trust accounts. The present monthly fee to reconcile Franchisee’s trust accounts is \$5.00 per Door(s), Commercial Unit(s), and Key(s).

Required Equipment, Infrastructure, and Supplies.

2.4.3 Required Items. Franchisee must possess or purchase the following equipment, infrastructure, and supplies in order to operate the Business; all of which must comply with Franchisor’s standards and specifications:

- (a) A computer capable of running the latest personal computer operating system and all required Franchisor Software, regardless of manufacturer;
- (b) The Franchisor Software (*e.g.* PMiSOFT, PMiWARE, PMiPrograms, PMiSTR,

PMiWorkFlow, Accounting Software, etc.) required under the Agreement or elected by Franchisee, and other software, as directed by Franchisor;

(c) A locking filing cabinet;

~~(d)~~ A paper shredder;

~~(d)(e)~~ A high-speed printer/copier/fax/scanner;

~~(f)~~ A webcam;

~~(g)~~ Telephone system purchased from our approved vendor;

~~(h)~~ High-speed internet access;

~~(i)~~ A smart phone and cellular phone service which allows Franchisee to remotely send and receive email and access the Internet; and

~~(e)(j)~~ Before Franchisee opens the Business (prior to the Opening Deadline) Franchisee must purchase a start-up package of Business Supplies from the PMiSTORE, presently at a cost of three hundred fifty dollars (\$350), or from an outside vendor. Franchisor will provide Franchisee with a list of Business Supplies that must be purchased. If Franchisee wishes to utilize an outside vendor to purchase any or all of the Business Supplies, Franchisor must provide its advance, written approval.

2.4.4 Software Updates. Franchisee must maintain all Business-related software with all patches and material upgrades that may come from the manufacturer of the software.

2.4.5 Changes to Requirements. Franchisor may at any time change the equipment, infrastructure, supplies, and Franchisor Software required to operate the Business. In such a case, Franchisor will notify Franchisee in writing of the changes, and Franchisee will have a reasonable amount of time (not to exceed sixty (60) Days) within which to make the changes. However, Franchisor will not require Franchisee to purchase a new computer more often than once every three (3) years.

2.5 Existing Property Management Company (“EPMC”) Conversion. If Franchisee is converting an EPMC, Franchisee shall have sixty (60) days following the Opening Deadline to convert all letterhead, business cards, signage, advertising, etc. over to reflect Franchisee’s new name and affiliation.

SECTION 3

FEES & REQUIRED SUBSCRIPTIONS, ADVERTISING, AND RECORDS

Fees and Required Subscriptions.

3.1.1 Initial Franchise Fee. Franchisee must pay to Franchisor a franchise fee (“**Franchise Fee**”) of \$_____, by wire transfer, upon your execution of this Agreement. Once we approve you and countersign the Agreement, the Franchise Fee is not refundable, in whole or in part, under any circumstances. Franchisee acknowledges that the Franchise Fee represents payment for the Training and the initial grant of the rights to use the Marks and Systems, and that Franchisor has earned the Franchise Fee upon receipt thereof.

3.1.2 Royalty Fee. Franchisee shall pay to Franchisor a monthly Royalty fee that is (i) 5% of Brokerage; plus (ii) a tiered percentage of Gross Revenue as follows the greater of 7% of Gross Revenue up to \$35,000 or \$350, \$700, \$1,050 based on TSQ months following completion of Workshop, plus 6% of Gross Revenue from \$35,001-\$75,000, plus 5% of Gross Revenue above \$75,001. For example, if Franchisee's Gross Revenue is \$50,000 and has \$4,000 of Brokerage revenue, Franchisee would pay two-hundred dollars, \$200, \$200 on Brokerage (\$4,000 x 5%) plus \$3,350 on all other revenue ([\$35,000 x 7%] + [\$15,000 x 6%]) for a total of \$3,550; plus (iii) 0.5% of rents collected on self-owned rental Doors and Square Feet, and 1% booking revenue collected on self-owned Keys. The Royalty is due and payable on the fifteenth (15th) of each month. Royalties begin to accrue upon completion of Workshop, but no later than one hundred twenty days (120) days after the Franchise Agreement Effective Date. Opening Date.

3.1.3 Territory Sales Quota. You must produce a minimum of \$5,000 in Gross Revenue in the 12th month from the completion of Workshop (“**Territory Sales Quota**” or “**TSQ**”), per Pillar and a minimum TSQ of \$10,000 in Gross Revenue in the 24th month from the completion of Workshop per Pillar, and a minimum TSQ of \$15,000 in Gross Revenue in the 36th month from the completion of Workshop per pillar. If you fail to meet your TSQ, we may reduce the geographic size of the Territory to an area we determine and will be calculated accordingly, based on the TSQ thresholds. Royalty will be calculated as defined above, at the greatgreater of 7% or \$350 through month 24, the greater of 7% or \$700 for months 25 to 36, and the greater of 7% or \$1,050.

3.1.4 Fee Due Dates; Method of Payment. Royalty and the National Marketing Fee, if any, shall be due and payable to Franchisor on the fifteenth (15th) of each calendar month via EFT from Franchisee’s Bank Account. All other fees or payments due and owing to Franchisor under this Agreement shall be due and payable on the first (1st) day of each calendar month, unless otherwise stated, and shall be paid via EFT from Franchisee’s Bank Account. In connection therewith, Franchisee shall execute the Authorization Agreement for Preauthorized Payment Services, attached to this Agreement as Addendum D. If Franchisee pays any fees to Franchisor by credit card, Franchisee agrees to pay Franchisor a 3.5% service fee. Franchisor has the right to change the method of collection of the Royalty and any other fees and expenses due under this Agreement, with five (5) Business Days’ notice to Franchisee.

3.1.5 NSF and Late Fees. In the event that Franchisee fails to have sufficient funds in the Account or otherwise fails to pay any Royalty or other fees and expenses due under this Franchise Agreement as of the applicable due date, Franchisee shall, in addition to Royalty and other fees and expenses, pay to Franchisor any Non-Sufficient Funds (“**NSF**”) costs incurred by Franchisor, as well as the Late Fees (payable for each day that payment is late or that reports, filings and statements required under this

Agreement are late, or other applicable fees as noted herein). This will be automatically assessed and debited or paid along with the late debit or payment of Royalty. Franchisee acknowledges that this Section does not constitute Franchisor's agreement to accept such payments after they are due or a commitment to extend credit to or otherwise finance the operation of the Business. In no event shall Franchisee be required to pay interest at a rate greater than the maximum interest rate permitted by applicable law. The collection of any Late Fee(s) and the acceptance of any late payment will not diminish Franchisor's right to any other remedies available under this Franchise Agreement.

3.1.6 Application of Payment. Notwithstanding any designation by Franchisee as to the application of Franchisee's payment, Franchisor shall allocate any payments made by Franchisee first to any Late Fees, other fees allowed herein, and interest owed by Franchisee to Franchisor, then to any Royalty or other fees or expenses which are past due, and then to the current Royalty and other fees and expenses owed to Franchisor. The allocation set forth above shall not serve to postpone any payments that are due on any current or future due date.

Required Subscriptions

~~3.1.4 Annual Summit Deposit and Fee. After the Effective Date of this Agreement, prior to attending Workshop for your Primary Pillar, Franchisee is required to pay one thousand dollars (\$1,000) to Franchisor to secure Franchisee's attendance at the next occurring Annual Summit ("Summit Deposit"). Following attendance, Franchisor will refund Franchisee's Summit Deposit, less any registration fees for Franchisee and guests, if any. If Franchisee fails to attend the next occurring Annual Summit following the Effective Date of this Agreement, Franchisee will forfeit the Summit Deposit in its entirety. For all subsequent Annual Summits, should Franchisee not attend, we reserve the right to collect the standard registration fee for one attendee.~~

3.1.7 PMiBOOKS Service Fee. Franchisee is required to initially utilize PMiBOOKS, a temporary bookkeeping assistance and training service provided by Franchisor for Doors ("ResidentialBOOKS"), Units ("AssociationBOOKS"), and Keys (STRBOOKS). A copy of the PMI Bookkeeping Services & Training Program Letter of Understanding is attached hereto as Addenda A. In addition to PMiBOOKS bookkeeping services, PMiBOOKS aids the Franchisee in properly documenting Franchisee's property management, maintenance, and leasing activities. Fees for PMiBOOKS for Franchisee's Primary Pillar will begin when Franchisee obtains its first Door, Unit, Key, or Square Foot (Feet), as applicable. For Additional Pillars, fees for PMiBOOKS will begin upon Franchisee obtaining its first Door, Unit, Key, or Square Foot (Feet), for that Additional Pillar, as applicable. Franchisee's monthly PMiBOOKS fee will depend on the number and types of properties managed and whether Franchisee purchases additional or optional bookkeeping services from Franchisor. Additionally, the fees associated with PMiBOOKS will change from time to time and Franchisee agrees to pay the then-current pricing. The minimum monthly PMiBOOKS fee is presently (i) for Doors, the greater of (a) \$15 per Door managed or (b) \$100; (ii) for Units, the greater of: (a) 20% of the management fee the Franchisee is paid for managing Units or (b) \$75 per Association plus an initial \$3.00 per Unit setup fee; and (iii) for Keys, the greater of (a) \$50 per Key or (b) \$100 and \$50 onboarding fee per key. The PMiBOOKS fee is payable monthly, to Franchisor, and is due on the first day of each calendar month, to Franchisor. PMiBOOKS is required until Franchisee has completed all training and assignments deemed necessary for Franchisee to demonstrate the ability to manage its bookkeeping, which is judged by Franchisor in its sole and absolute discretion. After this initial period, Franchisee may continue to use PMiBOOKS for that industry Pillar, or Franchisee may

implement another bookkeeping staffing solution using PMiSOFT. (Regardless of the bookkeeping staffing solution you choose, you must ensure that the monthly and annual financial statements required under Section 3.4.3 of this Agreement are provided to Franchisor.) Additionally, after coming off of PMiBOOKS, if at any time, PMI discovers that Franchisee's bookkeeping is non-compliant, Franchisee will be required, for a fee, to complete further training and assignments deemed necessary for Franchisee to properly manage Franchisee's bookkeeping, judged by Franchisor in its sole and absolute discretion, and remain on PMiBOOKS for an additional period of time until Franchisee can properly manage Franchisee's bookkeeping, as determined solely by Franchisor.

3.1.8 Software Fees. Before Franchisee opens for Business, which is to occur prior to the Opening Deadline, Franchisee must purchase, register, or subscribe for certain software solutions provided by Franchisor, its Affiliates, or Approved Vendors, including the following:

a) *PMiSOFT.* Franchisee is required to utilize PMiSOFT for Residential and Commercial property management. At this time, there is no monthly or per Door fee to use PMiSOFT. However, such a fee may exist in the future. Franchisor may charge Franchisee up to fifty dollars (\$50) per day until Franchisee subscribes to PMiSOFT. Additionally, for an EPMC that converts to a PMI franchise, and who did not use a PMiSOFT software vendor as part of their EPMC, there is presently a one-time fee ("**EPMC Conversion Fee**") ranging from \$25-50 per Door, with a minimum fee of one-thousand dollars (\$1,000), which fee may change in the future. There are components to the software that may require additional fees. Franchisor reserves the right to change or add Residential and Commercial software vendors at any time, which may cause Franchisee to incur fees and expenses. Franchisee may use a different third-party software provider for Residential and Commercial management if Franchisee obtains written permission from the President of PMI, which permission may be withheld for any reason or no reason at all. If Franchisee is approved to use a third-party software provider, in addition to any fees paid to the third party, Franchisor presently charges Franchisee a monthly software fee of one-hundred dollars (\$100) plus one dollar (\$1) per Door, due and payable on the first day of each month, which fee may change in the future. This fee is required to pay for Franchisor's costs in adapting third-party software requirements with our System. Franchisor does not make any representations or warranties that the System will work with third-party software.

b) *PMiWARE.* Franchisor requires Franchisee to use PMiWARE for the Associations that Franchisee manages. PMiWARE fees are presently thirty-five dollars (\$35) per Association and a one-time set up fee of five-hundred dollars (\$500), and they are due and payable to Franchisor on the first day of each month. The cost of PMiWARE may change in the future. To use PMiWARE, Franchisor requires the Association's managed to use a financial institution chosen by Franchisor. There are components to PMiWARE that may have additional fees. Franchisor reserves the right to change or add Association software vendors at any time, which may cause Franchisee to incur fees and expenses. Additionally, for an EPMC that converts to a PMI franchise, and who did not use a Franchisor Software vendor as part of their EPMC, the EPMC Conversion Fee ranges from three dollars (\$3) to five dollars (\$5) per Unit and a one-time set up fee of five-hundred dollars (\$500) per month. Franchisee may use a different third-party software provider for Association management if Franchisee obtains written permission from the President of PMI, which permission may be withheld for any reason, or no reason at all. If Franchisee is approved to use a third-party software provider, in addition to any fees paid

to that third-party, Franchisor may charge Franchisee a monthly fee based upon number of Associations managed, number of Units under management, a flat fee, or a combination of all of these options to cover Franchisor's costs into adapting the third-party software requirements to our System. Franchisor does not make any representations or warranties that its System will work with third-party software.

c) *PMiSTR*. Franchisor requires Franchisee to use PMiSTR for any Short-Term Rentals that Franchisee manages. For Franchisees new to Short-Term Rental management, there is presently a one-time software set-up fee of five-hundred dollars (\$500) for 1-5 Keys or ~~seven-hundred dollars~~ (\$700) for 5+ keys; and (i) a monthly software user fee that is the greater of (a) ~~twenty-five dollars~~ (\$25) flat fee or (b) \$10.95 ~~fee~~ per key for keys 1-10, \$8.95 for keys 11-30, \$6.95 per key for keys 31-50, and \$4.95 for keys 51+. For more than 2 users, there is a \$5.00 per additional user's monthly fee and (ii) a monthly fee of one percent (1%) of the collected gross booking and guest fees. For an EPMC that converts to a PMI franchise, and who did not use PMiSTR as part of their EPMC, the one-time software set-up fee ranges based upon the number of Keys under management, but is generally about \$250 per Key, and is due to us at the time of purchase. The fees associated with PMiSTR may change in the future. Franchisor reserves the right to charge guests credit card processing fees, service fees, or handling fees, payable to Franchisor. Franchisor reserves the right to change or add PMiSTR software vendors at any time, which may cause Franchisee to incur fees and expenses.

3.1.9 PMiPrograms. Franchisor requires Franchisee to use PMiPrograms to provide Franchisee with, among other things, referral management and lead management. PMI presently charges Franchisee a Monthly fee applies at the greater of \$89 or \$1.20 per unit, plus additional charges for extra services as follows: Inbox Add-on is \$49 per month plus \$0.45 per unit, inbound numbers are charged at \$4.00 per number, call minutes at \$0.05 per minute (with 250 minutes included), and text messages at \$0.025 per text (with 250 messages included), phone carrier registration is \$19.00, and phone carrier campaign maintenance is \$1.50 ~~monthly fee of sixty-five dollars (\$65),~~ with such fee due and payable on the first day of each month. The fees may change in the future. The monthly fee shall commence on the first calendar day of the month following Franchisee's Opening Date, completion of Workshop (or in the event Franchisee does not complete Workshop, for whatever reason, commencing on the first day of the month following one hundred twenty (120) Days from of the Effective Date of the Franchise Agreement). ~~There are components to PMiPrograms that may have additional fees.~~ Franchisor reserves the right to change or add Franchisor Software, vendors, and other services at any time, which may cause Franchisee to incur fees and expenses. Some vendors under PMiPrograms are optional, while others are required. Vendors contracted by Franchisor may provide discounts and/or revenue streams to ~~franchisee~~ Franchisee based on the agreement with the vendor. Franchisor may receive rebates from vendors. Franchisor may issue a credit to franchisee if certain vendor services are utilized by ~~franchisee~~ Franchisee. Franchisor reserves the right to change discounts and credits at any time. Some vendor services may not be available in every state. Franchisee may use other software solutions or vendors for lead management and referral management, if Franchisee has written permission from the President of PMI, which permission may be withheld for any reason, or no reason at all. If Franchisee is approved to use a third-party software solution, in addition to any fees paid to that third-party, PMI charges Franchisee a monthly flat fee of one-hundred twenty-five dollars (\$125), plus one dollar and twenty-five cents (\$1.25) per Door, Unit, Key, and Commercial ~~u~~Unit Franchisee manages to cover Franchisor's cost for adapting the third-party software to our System, which fee is due and payable on the first day of each month. This fee may change in the future. Franchisor does not make any representations or warranties that its System will work with third-party software.

3.1.10 ~~Digital Essentials Package~~~~Marketing Program~~ Fees. Franchisor requires Franchisee to subscribe to Franchisor's Digital ~~Marketing Program~~Essentials Package, which fees may change from time to time. The present cost for the Digital ~~Marketing Program~~Essentials Package is \$749 per month for your Primary Pillar, and \$250 per month for each Additional Pillar thereafter, with such fees due and payable to Franchisor on the first day of each month following Franchisee's Opening Date. In addition to such fees, at Franchisee's election, Franchisee may participate in Pay Per Click ("PPC") campaigns, with such fees to accrue according to Franchisee's designated PPC monthly budget and requested services. All costs associated with the PPC campaign (*e.g.* Google Ad words) will be paid by Franchisee directly to a third-party vendor. ~~The Digital Marketing Program fee counts toward the \$1,500 minimum for the Local Advertising Quota~~

Advertising and Marketing Fees.

3.1.11 **Local Advertising.** Franchisee is required to expend at least one thousand five hundred dollars (\$1,500) each month in local advertising activities (“**Local Advertising Quota**”) for the Primary Pillar and one thousand dollars (\$1,000) for each additional Pillar, commencing on the first day of the month following Franchisee’s completion of the Training Program (or in the event Franchisee does not complete the Training Program, for whatever reason, commencing the month following one hundred eighty (180) Days after the Effective Date of the Franchise Agreement). Franchisee must meet the Local Advertising Quota. Franchisee is required to participate in local advertising activities on its own initiative and as reasonably directed by Franchisor at Franchisee’s sole cost. ~~The Franchisor directed local advertising that Franchisee must participate in includes the Digital Marketing Program Essentials Package.~~ Some other marketing and advertising costs will count toward the one thousand five hundred dollar (\$1,500) minimum for the Local Advertising Quota. Franchisee may spend any additional amount on Territory advertising and such advertising may take any form (e.g. Franchisee’s own lead generation campaigns, local advertising and marketing, social media, pay-per-click, pay-per-quote, as well as direct marketing). You may be required to participate in a local or regional advertising cooperative should one be formed. Any funds spent on local or regional advertising cooperatives will apply towards the Local Advertising Quota. All Franchisee advertising must comply with PMI’s Brand Guidelines, which will be provided to Franchisee through the PMiWAY. Franchisor must approve all advertising before being placed. Franchisee must deliver the proposed advertising to Franchisor no less than fifteen (15) Days before its insertion into any medium. If Franchisor does not respond to Franchisee within fifteen (15) Days from receipt, the proposed advertising shall be deemed not approved.

a) *Other Obligations of Franchisee Related to Local Advertising.* Franchisee must submit a listing of its principal address and telephone to online search directories and white pages and online registrars of the principal address and telephone directory in the Territory. Franchisee may not have a web portal that is separate from Franchisor’s without Franchisor’s express written permission, which may be granted or denied for any reason or for no reason at all. Franchisee’s advertising must never contain any statement or material which may be considered (i) in bad taste or offensive to the public or to any group of persons, (ii) defamatory of any person or group or an attack on any competitor, or (iii) untrue or misleading.

b) *Social Media Marketing.* ~~Franchisee may be provided PMI’s social media services, as part of the Digital Marketing Program.~~ At Franchisee’s election, Franchisee may run additional social media advertising campaigns. All social media advertising must comply with our social media policy included in **PMiWAY**. Any monies spent on these campaigns count toward the monthly minimum Local Advertising Quota.

c) *Custom Design Services.* Upon Franchisee’s election and request, Franchisor may provide Franchisee with custom design services for new advertising and marketing materials, as well as customization of existing advertising and marketing materials. These services may include graphic design, video creation, content creation, and development of marketing collateral such as brochures, banners, documents, flyers, advertisements, and other forms of print media, web media, and

digital media. Custom design services will be billed to Franchisee at an hourly rate, which is presently one_hundred and twenty dollars (\$120) per hour for regular jobs or one_hundred and sixty dollars (\$160) per hour for rush jobs. Franchisor may, from time to time, increase hourly fees for custom design services.

3.1.12 National Marketing Fund. Franchisor has the right, exercisable by written notice to Franchisee, to require Franchisee to pay two percent (2%) of Franchisee's monthly Gross Revenue for national advertising ("**National Marketing Fund**"). The National Marketing Fees will be placed in an interest-bearing account of Franchisor's determination ("**National Marketing Fund**"). Any monies not expended in any year will be carried to the next year. The National Marketing Fund will be administered by Franchisor within its reasonable business discretion and may be used by Franchisor for all advertising expenditures reasonably intended to benefit some or all franchisees, and for the reasonable payments to Franchisor of costs related to administering the National Marketing Fund, such as reasonable salaries, administrative costs, costs allocated to any conferences, travel expenses, and overhead. Any franchises owned by Franchisor or Franchisor's Affiliates will participate in the National Marketing Fund on the same basis as other franchises.

a) *No Guarantee*. Franchisor makes no guarantee to Franchisee or to any other franchisee that advertising expenditures from the National Marketing Fund will result in increased revenues for Franchisee or any other franchisee directly or on a pro rata basis. We will not act as trustee or in any fiduciary capacity with respect to the National Marketing Fund. Franchisor will assume no direct or indirect liability or obligation to Franchisee with respect to collecting amounts due to the National Marketing Fund or with respect to maintaining, directing, or administering the National Marketing Fund. There is no guarantee that any of such funds will be spent in Franchisee's Territory.

b) *Control of National Marketing*. The National Marketing Fee will be used for the creation of various advertising and promotional products and services. The media in which such advertising may be disseminated will be determined by Franchisor. The advertising will be produced by Franchisor, its Affiliate or an advertising agency. Franchisor has established a Franchise ~~Leadership~~advisory Council ("**Council**"). The Council's representatives are selected by the franchisor's leadership and the previous Council, through an annual selection process. The Council serves in a purely advisory capacity on many matters, including advertising. We have the power to change or dissolve the Council at our sole discretion. ~~The Council representatives are selected by the franchisees at large or by regions, through an annual election process. The Council serves in a purely advisory capacity on many matters, including advertising. Franchisor has the power to change or dissolve the Council at its sole discretion.~~

c) Annual Financial Statement. Upon Franchisee's prior written request, Franchisor will make available to Franchisee, no later than one_hundred twenty (120) Days after the end of each calendar year, an unaudited annual financial statement for the National Marketing Fund, should such fund be instituted.

3.1.13 Fee Due Dates; Method of Payment. Royalty and the National Marketing Fee, if any, shall be due and payable to Franchisor on the fifteenth of each calendar month via EFT from Franchisee's Bank Account. All other fees or payments due and owing to Franchisor under this Agreement shall be due and payable on the first day of each calendar month, unless otherwise stated, and shall be paid via EFT from

Franchisee's Bank Account. In connection therewith, Franchisee shall execute the Authorization Agreement for Preauthorized Payment Services, attached to this Agreement as Addendum D. If Franchisee pays any fees to Franchisor by credit card, Franchisee agrees to pay Franchisor a 3.5% service fee. Franchisor has the right to change the method of collection of the Royalty and any other fees and expenses due under this Agreement, with five (5) Business Days' notice to Franchisee.

3.1.14 NSF and Late Fees. In the event that Franchisee fails to have sufficient funds in the Account or otherwise fails to pay any Royalty or other fees and expenses due under this Franchise Agreements as of the applicable due date, Franchisee shall, in addition to Royalty and other fees and expenses, pay to Franchisor any Non-Sufficient Funds ("NSF") costs incurred by Franchisor, as well as the Late Fees (payable for each day that payment is late or that reports, filings and statements required under this Agreement are late, or other applicable fees as noted herein). This will be automatically assessed and debited or paid along with the late debit or payment of Royalty. Franchisee acknowledges that this Section does not constitute Franchisor's agreement to accept such payments after they are due, or a commitment to extend credit to or otherwise finance the operation of the Business. In no event shall Franchisee be required to pay interest at a rate greater than the maximum interest rate permitted by applicable law. The collection of any Late Fee(s) and the acceptance of any late payment will not diminish Franchisor's right to any other remedies available under this Franchise Agreement.

3.1.15 Application of Payment. Notwithstanding any designation by Franchisee as to the application of Franchisee's payment, Franchisor shall allocate any payments made by Franchisee first to any Late Fees, other fees allowed herein, and interest owed by Franchisee to Franchisor, then to any Royalty or other fees or expenses which are past due, and then to the current Royalty and other fees and expenses owed to Franchisor. The allocation set forth above shall not serve to postpone any payments that are due on any current or future due date.

Records and Reporting.

3.1.16 Revenue Records. Franchisee agrees that all revenue received from the Business, regardless of the form (*e.g.* cash, check, credit card, wire, EFT, etc.) is to be deposited into the appropriate bank accounts of Franchisee (*i.e.* operating account, trust account, etc.). Franchisee must accurately and properly record all revenue at the time the revenue is received by Franchisee. Franchisee must also ensure the Business uses accounting software that electronically ties to Franchisee's banking accounts. Franchisee agrees to retain all computer records, bank records, charge account records, sales slips, orders, return vouchers, sales tax reports, accounting software records, and all of Franchisee's other Business records and related background material for at least five (5) years following the end of the year in which the items were or should have been generated.

3.1.17 Electronic Back-up of Records. Franchisee will maintain current records of the Business as required by the Manual, and backup electronic files and records continuously.

3.1.18 Monthly and Annual Reporting. Franchisee shall submit to Franchisor, within ten (10) business days after the end of each month, a complete and accurate balance sheet, profit and loss statement, and a cash flow statement for that month, or access to your accounting system approved by the Franchisor. Additionally, Franchisee must submit within thirty (30) days after the end of each fiscal year, a balance sheet, profit and loss statement, and cash flow statement for the fiscal year, or access to same. Franchisee must also submit copies of the business's tax returns and personal tax returns of each owner within thirty (30) days after they have been filed.~~Franchisee shall provide Franchisor with monthly financial statements,~~

~~including a profit and loss statement, within ten (10) Business Days after the end of each month. In addition, during the Term of the Agreement, each year, within thirty (30) Days of Franchisee filing its annual tax returns, Franchisee shall provide Franchisor with a complete financial statement for the preceeding calendar year, which statement shall include (i) a profit and loss statement, (ii) a balance sheet, (iii) Franchisee's complete business year end tax returns; each being prepared and certified by an independent, certified public accountant; and (iv) each Owners' complete year end tax returns. The monthly and annual financial statements and accompanying documents do not need to be audited unless subsequently requested in writing by Franchisor.~~

SECTION 4

TERM AND RIGHT TO RENEW

4.1 **Term.** The initial term of this Franchise Agreement shall be for a period of ten (10) years from the ~~Effective-Opening~~ Date (“**Initial Term**”), unless terminated earlier as provided herein. If Franchisor is required by law or under this Agreement to give Franchisee notice before the termination or expiration of this Agreement, and if Franchisor fails to do so, this Agreement will remain in effect until Franchisor has complied with the required notice period. At the end of the Initial Term, Franchisee shall have the option, but not the obligation, to renew its franchise rights for additional ten (10) year terms (each a “**Renewal Term**”) as long as Franchisee meets the requirements listed in ~~s~~Sections ~~4.2~~ below. (The Initial Term and any Renewal Term(s) shall be collectively referred to herein as the “**Term.**”)

Requisites for Renewal.

4.1.1 **In Compliance.** At the time Franchisee applies for a Renewal Term, Franchisee must be in compliance (as determined by Franchisor) with this Franchise Agreement, including the payment on a timely basis of all Royalties, National Marketing Fees, and other fees due to Franchisor, its Affiliates, Approved Vendors, and other obligations incurred by Franchisee hereunder, as well as any other agreements between Franchisor and Franchisee.

4.1.2 **Notice.** Franchisee exercises the option to enter into a Renewal Term by giving written notice of such exercise to Franchisor not earlier than one (1) year but no later than one-hundred ~~twentyeighty~~ (1280) Days prior to the scheduled expiration of the Initial Term or subsequent Renewal Term.

4.1.3 **Renewal Franchise Agreement.** Franchisee ~~enters into~~enters our then-current franchise agreement for the Renewal Term (a “**Renewal Franchise Agreement**”) which may contain materially different terms and conditions than this Agreement, and which may modify the boundaries of the Territory. The Royalty, advertising fees, and other fees charged under the Renewal Franchise Agreement will be no more than those charged to new franchisees who enter into a franchise agreement at that particular time.

4.1.4 **Renewal Franchise Fee.** Franchisee pays a Renewal Franchise Fee of ten-thousand dollars (\$10,000) (“**Renewal Franchise Fee**”). The Renewal Franchise Fee is deemed to be earned when Franchisee pays it and is not refundable under any circumstances.

4.1.4.1.5 **Interim Period.** If Franchisee does not sign a Renewal Franchise Agreement prior to the expiration of this Agreement and continues to accept the benefits of this Agreement after the expiration of this Agreement, then, at the option of Franchisor, this Agreement may be treated either as (i) expired as of the date of expiration with Franchisee then operating without a franchise to do so and in violation of Franchisor’s rights; or (ii) continued on a month-to-month basis (“**Interim Period**”) until Franchisor provides Franchisee with written notice of its intent to terminate the Interim Period, in which case the Interim Period will terminate thirty (30) Days after Franchisee’s receipt of the notice to terminate the Interim Period. In the latter case, all obligations of the Parties shall remain in full force and effect during the Interim Period as if this Agreement had not expired, and all obligations and restrictions imposed on the Parties upon expiration of this Agreement shall be deemed to take effect upon termination of the Interim Period.

~~5.2.6~~5.2.7 Provide Franchisee with access to the PMiSTORE.

5.3 Services Provided or Offered by Franchisor After Opening of Business. Following Franchisee's opening of the Business (to occur by the Opening Deadline) and during the Term of this Agreement, Franchisor will provide the following services:

5.3.1 We may provide continual updates and information to you through PMiWAY.

5.3.2 Provide Franchisee with certain software solutions, including Franchisor's Software, as required and as elected by Franchisee, and at the then-current prices being charged by Franchisor or vendors;

5.3.3 Franchisor may provide Franchisee with leads that originate in Franchisee's Territory and which Franchisor obtains through Franchisor's website. There is no guarantee that any leads will be generated, or if generated, will be within the Territory;

5.3.4 Provide Franchisee Workshop, PMiLAUNCH for Franchisee's Primary Pillar and if Franchisee has met the Additional Pillar Requirements, provide Franchisee with Pillar Certification for Additional Pillars, as applicable, some of which may require Franchisee to pay tuition, registration fees, and travel expenses

5.3.5 Provide Franchisee Continuing Education as Franchisor deems appropriate, some of which may require Franchisee to pay tuition, registration fees, and travel expenses;

5.3.6 Provide updates to the Manual, Materials, System, and Marks, at a frequency which Franchisor shall determine;

5.3.7 Provide Franchisee with certain promotional and advertising materials developed by Franchisor;

5.3.8 If requested by Franchisee, and if approved by Franchisor, provide Extraordinary Training at a location determined by Franchisor. Franchisee will pay the travel, room, board, and the then-published daily fee for such services;

5.3.9 Provide, for the then-current fees, PMiBOOKS until Franchisee has completed all training and assignments deemed necessary for Franchisee to demonstrate the ability to properly manage its bookkeeping, which is judged by PMI in its sole and absolute discretion. Thereafter, Franchisee can elect to remain on PMiBOOKS as long as Franchisee continues to subscribe (as approved by Franchisor). Additionally, after coming off of PMiBOOKS, if at any time, Franchisor discovers that Franchisee's bookkeeping is non-compliant, Franchisee will be required to complete further training and assignments deemed necessary for Franchisee to properly manage its bookkeeping, judged by Franchisor in its sole and absolute discretion, and remain on PMiBOOKS for an additional period of time until Franchisor deems Franchisee can properly manage its bookkeeping, determined in Franchisor's sole discretion; and

5.3.10 Provide, for a fee, the Digital ~~Marketing Program~~Essentials Package to Franchisee.

5.4 No Obligation to Provide Other Services. Except for as described above, or as otherwise found in this Agreement, Franchisor is not required to offer or provide any other items, assistance, education, or services to Franchisee.

5.5 Optional Services. At Franchisor's election, Franchisor may provide Franchisee opportunities to

receive referrals from National Accounts or enter into relationships with Preferred Vendors, on terms negotiated by Franchisor. Franchisor will negotiate the terms of such agreements at its sole discretion. Franchisor is not obligated to provide referrals or opportunities with Preferred Vendors to any franchisee and may also send referrals to an entity that is not a franchisee. Franchisee will never be obligated to accept a referral from a National Account. Should Franchisee enter into any relationship with a National Account or a Preferred Vendor (under the direction of Franchisor), Franchisee must strictly abide by the terms of such agreement. Failure to strictly comply could result in termination of this Franchise Agreement.

SECTION 6

INTELLECTUAL PROPERTY

6.1 Intellectual Property. Franchisee and its Owners and Guarantors, if any, acknowledge that each and every component of the System, the Marks, each component of Franchisor's Confidential Information, including its copyrighted materials, and all of the rest of the confidential matters, procedures, methods of operation, systems, techniques, pricing, accounting systems and procedures, specifications, Manual, Materials, business plans, and marketing (collectively, "**Intellectual Property**") constitutes proprietary trade secrets of Franchisor or its Affiliates.

6.1.1 Non-Exclusive Sublicense. The Intellectual Property is being sublicensed to Franchisee by this Agreement on a non-exclusive basis and may be used by Franchisee only as described in the Franchise Agreement or as allowed by the Manual. Except as permitted by this non-exclusive sublicense, Franchisee acknowledges that Franchisee has not acquired and will not acquire in the future any right, title, or interest in the Intellectual Property.

6.1.2 No Duplication. Franchisee agrees not to copy or otherwise duplicate any portion of the Intellectual Property without Franchisor's express written permission, which may be granted or denied for any reason or for no reason at all.

6.1.26.1.3 Protection. Franchisee agrees to: (a) fully and strictly adhere to all security procedures prescribed by Franchisor for maintaining the secrecy of each component of the Intellectual Property; (b) disclose Confidential Information to Franchisee's employees only to the extent necessary to conduct the Business; (c) refrain from using any component of the Intellectual Property in any other business or in any manner not specifically authorized or approved by Franchisor in writing; and (d) exercise the highest degree of diligence to maintain the absolute confidentiality of all Intellectual Property during and after the Term of this Agreement.

6.1.36.1.4 No Interference. Franchisee agrees not to: (a) directly or indirectly contest nor aid in contesting the validity of the ownership of the Intellectual Property, including the Marks; (b) nor in any manner interfere with or attempt to prohibit Franchisor's or its Affiliate's use of the Intellectual Property, including the Marks; or (c) interfere with the use of the Intellectual Property, including the Marks, by Franchisor's other franchisees or licensees.

6.1.46.1.5 Termination of Franchisor Licensing Agreements. In the event that any or all licensing agreements between Franchisor and its Affiliates are terminated, Franchisee's non-exclusive sublicense will be automatically terminated. If such termination occurs, Franchisor agrees to allow Franchisee to enter into a licensing agreement with the Affiliates who own the Intellectual Property, as long as Franchisee is operating the Business and the sublicense in accordance with the terms and conditions of

7.3 **Real Estate License.** Franchisee must obtain a real estate license within one year of the effective date of ~~their~~^{your} Franchise, regardless of the Pillar they operate in. A Real Estate License must be obtained before attending Workshop unless written approval by the Franchisor is granted. If the Franchisee is an entity, the individual obtaining the real estate license must be a member or shareholder of the Franchisee entity.

7.4 **Workshop.** For each Pillar, following Franchisee's successful completion of the Training Program, Franchisee's Principal Operator, and up to one other person of Franchisee's choosing, is required to attend Workshop.

7.4.1 Content and Location. Workshop occurs over a period of approximately five (5) days at a location designated by Franchisor. Franchisee is required to attend all scheduled meetings, seminars, and team-building activities throughout Workshop.

7.4.2 Expenses. Franchisor does not charge a fee for the Initial Workshop for up to two attendees. However, additional attendees will be charged our then current fee, which is presently \$1,000 per person. Franchisee will be responsible for any and all travel expenses, living expenses, and wages incurred by the individuals who attend Workshop on behalf of Franchisee.

7.4.3 Completion. For its Primary and Additional Pillars, Franchisee is required to attend and complete Workshop within 30 Days of completing the Training Program. All individuals participating in Workshop must sign a Confidentiality and Non-Disclosure Agreement substantially in the form of Addendum F.

7.4.4 **PMiLAUNCH.** For each Pillar, immediately following Franchisee's successful completion of Workshop, Franchisee's Principal Operator and up to one other person of Franchisee's choosing, is required to participate in and successfully complete PMiLAUNCH.

7.4.5 Content and Location. PMiLAUNCH is a task-based implementation program that helps Franchisee take advantage of and participate in Franchisor's System. PMiLAUNCH will take place remotely, via telephone, webinars, web-based tools, and instructional videos and tutorials. Franchisee will participate from its Office or other location of Franchisee's choosing.

7.4.6 Fee. Franchisor does not charge Franchisee a fee for Franchisee's Initial Workshop. Training fees will apply to additional Pillar Training (and Launch).

7.4.7 Completion. Franchisee is required to participate in PMiLAUNCH until Franchisee's Gross Revenue in the applicable Pillar exceeds three-thousand dollars (\$3,000) per month. All individuals participating in PMiLAUNCH must sign a Confidentiality and Non-Disclosure Agreement substantially in the form of Addendum F.

7.5 **Continuing Education.** From time to time during the Term of the Franchise Agreement, Franchisor may present or provide programs, seminars, conferences, conventions, and continuing education (collectively, "**Continuing Education**") including but not limited to, Refresher Courses (defined below), Extraordinary Training, and the Annual Summit. Some of these programs may be optional and some may be mandatory. Franchisee or its Principal Operator shall be required to attend any mandatory Continuing Education. Franchisor will give Franchisee at least sixty (60) Days' prior written notice of any Continuing Education which is deemed mandatory. Franchisee will be responsible for all travel and living expenses associated with attendance at mandatory Continuing Education. All individuals participating in

and fees as required in this Agreement or in the Manual. Franchisee agrees to send to Franchisor, in the form and within the time schedules set forth herein and/or in the Manual, all required reports and information, including the monthly and annual reports detailed in Section 3.4.3 herein.

8.2.6 **Employee Restrictive Covenants**. Franchisee agrees to have its employees, agents, contractors, and all individuals that take an active role in the operation of the Business sign a Confidentiality and Non-Competition Agreement, substantially in the form of Addendum F to this Franchise Agreement, within ten (10) business days of hire by Franchisee.

8.2.7 **Background Checks**. Franchisee will be subject to a background check, to include credit, by Franchisor.

SECTION 9

TRANSFERS

9.1 **Sale or Assignment by Franchisor**. This Agreement and all rights and obligations hereunder are fully assignable and transferable by Franchisor and, if so assigned or transferred, shall be binding upon and inure to the benefit of Franchisor's successors and assigns. Franchisee waives all claims, demands, and damages with respect to any assignment or Transfer.

Transfer by Franchisee.

9.1.1 **No Transfer Without Franchisor's Approval**. This Agreement is personal as to Franchisee and is being entered into in reliance upon, and in consideration of, the qualifications and representations of Franchisee and its Owners, if Franchisee is an entity. Therefore, this Agreement, any of its rights or privileges, and any equitable, capital, voting, non-voting, or other interest in the franchise, if it is an entity, may be assigned, sold, transferred, or divided in any manner by Franchisee or any of its Owners only after Franchisee has obtained Franchisor's express prior written approval in accordance with the terms and conditions of this Agreement. Franchisee must consult with Franchisor prior to any attempt to sell or Transfer. Franchisor may, but is not required, to discuss with Franchisee marketing strategies and channels, and valuation ranges. Except as expressly provided for in this Agreement, any attempt by Franchisee to Transfer any of Franchisee's rights or interest under this Agreement will constitute a material breach of this Agreement. In that event, Franchisor will have the right to terminate this Agreement upon written notice to Franchisee. Franchisor will not be bound by any attempted Transfer in any manner whatsoever, by law or otherwise, of any of Franchisee's rights or interests under this Agreement.

9.1.2 **Franchisor Sales Fee**. If Franchisee requests Franchisor's efforts in a Transfer, Franchisor's fee shall be a five-thousand dollar (\$5,000) sales commission fee or a fee in the amount of 5% of the closed sale price, whichever amount is greater, in addition to the Transfer Fee, which is currently twelve-thousand dollars (\$12,000). Franchisor bears no responsibility or liability for Franchisee's ultimate marketing strategies, valuation ranges, or selling efforts.

Conditions to Approval of any Transfer.

9.1.3 **Notice; Provide Documentation**. Franchisee must give no less than sixty (60) Days' written notice to Franchisor of its request to Transfer. At the time of providing such notice, Franchisee shall provide Franchisor with all documentation relating to the proposed Transfer of the Franchise or the Business. Franchisor's approval will be based upon Franchisor's reasonable business judgment and will be

conditioned as described herein.

9.1.4 Criteria for Determining Suitability of Proposed Transferee. In determining the acceptability of the proposed transferee, Franchisor will consider, among other things, Franchisor's then-current standards for new franchisees, including the net worth, credit worthiness, background, training, personality, reputation, and business experience of the proposed transferee, the terms and conditions of the Transfer, and any other circumstances Franchisor deems relevant.

9.1.5 Right to Meet with Proposed Transferee; Liability. Franchisor has the right to meet and candidly discuss all matters relating to the Agreement, Franchisee, proposed Transfer, and the Business with the potential transferee. In no case may Franchisee or a proposed transferee rely on Franchisor to review or evaluate any proposed Transfer. Franchisor will not be liable to Franchisee, its Owners or the transferee, or any other person or entity relating to the Transfer.

9.1.6 Prerequisite Conditions. As a condition of any Transfer otherwise permitted under this Agreement, Franchisee agrees as follows:

- (a) Franchisee can only Transfer its Assets to an existing PMI franchisee ("PMIEF") or transferee who has been qualified and approved to be a PMI Franchisee by Franchisor;
- (b) Franchisee must be in full compliance with this Agreement and any other agreement between Franchisor and Franchisee, and not be in default hereunder;
- (c) All accounts payable and other monetary obligations to Franchisor or any Affiliates must be paid in full prior to the Transfer;
- (d) Franchisee must have submitted to Franchisor all required reports, financial statements, and other documents;
- (e) The terms and conditions of the proposed Transfer must be provided in writing to Franchisor;
- (f) The transferee must agree to sign the then-current form of Franchisor's franchise agreement and fully modernize the Business to the level required of new franchisees;
- (g) The transferee must agree to complete Pillar Certification for each Pillar currently being offered in the Business and pay tuition (if any) that is then being charged to new franchisees, including the Additional Pillar Fee for each Pillar beyond their Primary Pillar. The transferee must also agree to pay for all travel, room, and board expenses incurred by transferee and its employees;
- (h) Franchisee must pay Franchisor the then-current Transfer Fee (which is currently ~~twelve~~-thousand dollars (\$12,000));
- (i) Franchisee and each of its Owners must execute a General Release substantially in the form attached to this Agreement as Addendum E;
- (j) The transferee, or the stockholders, partners, members, or trustees and

beneficiaries of a proposed entity transferee, must each execute a personal guarantee of the transferee's franchise agreement, substantially in the form attached to this Agreement as Addendum G, jointly and severally guaranteeing the performance of the proposed transferee's obligations; and

(k) The Transfer is not to a potential franchisee that has been in discussions with Franchisor to purchase a franchise at any time during the past twenty-four (24) months, unless the purchase is in addition to the contemplated transaction with Franchisor.

9.2 Invalidity of Transfers. Involuntary Transfers of this Agreement by Franchisee, such as by legal process including, but not limited to bankruptcy, assignment for the benefit of creditors, assignment as security for any financial or non-financial matter, or otherwise, are not permitted, are not binding on Franchisor, and are grounds for the termination of this Agreement. Franchisee agrees that using this Agreement as security for a loan, or otherwise encumbering this Agreement, is prohibited unless Franchisor specifically consents to any such action in writing prior to the proposed transaction.

9.3 Transfer Among Owners or to a Controlled Entity. If a proposed Transfer is approved by Franchisor, and the proposed Transfer is only among existing Owners or by Franchisee to a corporation or limited liability company owned not less than fifty-one percent (51%) by the pre-existing Franchisee(s), no Transfer Fee will be required, and Franchisor shall not be entitled to exercise its "Right of First Refusal," as set forth in Section 9.7.

Death or Incapacity.

9.3.1 Upon the death or Permanent Disability (defined in Section 9.6.2) of Franchisee (or the Owner controlling the Franchisee entity), the executor, administrator, conservator, guardian, or other personal representative of such person shall Transfer Franchisee's interest in this Agreement or such interest in Franchisee entity to an approved (in writing by Franchisor) third party, who may be the heirs or successors of the deceased or disabled individual. Such disposition of this Agreement or such interest (including, without limitation, transfer by operation of law, intestacy, bequest, or inheritance) shall be completed within a reasonable time, not to exceed ~~one~~-hundred ~~twentyeighty~~ (1280) Days from the date of death or Permanent Disability and shall be subject to all terms and conditions applicable to Transfers contained in this Section 9 as though the transferee were being introduced to Franchisor by the deceased or disabled Franchisee. Failure to Transfer the interest in this Agreement or such interest in Franchisee entity within the ~~one~~-hundred ~~twentyeighty~~ (1280) Day time-period shall constitute a breach of this Agreement.

9.3.2 For the purposes hereof, the term "**Permanent Disability**" shall mean a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent Franchisee or the Owner of a controlling interest in a Franchisee entity from supervising the management and operation of the Business for a period of ~~one~~-hundred twenty (120) Days from the onset of such disability, impairment, or condition.

9.4 Right of First Refusal. Franchisee agrees that any Transfer is subject to Franchisor's right of first refusal to purchase such rights, interest, or Assets on the same terms and conditions as are contained in the written offer for the Transfer ("**Right of First Refusal**"), and the following additional terms and conditions shall apply:

of, plead no contest to, or enter into a diversion or a plea in abeyance to any crime or civil offense that is reasonably likely, in the sole opinion of Franchisor, to materially and unfavorably affect the System, Marks, or the goodwill or reputation thereof;

10.1.6 Failure to Pay. If Franchisee fails to pay any Royalty, fees, expenses, costs, payments, or any other amounts due Franchisor, Affiliates or vendors, including any amounts which may be due as a result of any agreements between Franchisee and Franchisor, or between Franchisee and vendors, within thirty (30) Business Days after receiving notice that such fees, costs, expenses, or amounts are overdue;

10.1.7 Misuse of Marks, System or Intellectual Property. If Franchisee misuses or fails to follow Franchisor's direction and guidelines concerning use of the Marks, the System and the use of the Intellectual Property, and fails to correct the misuse or failure within ten (10) Business Days after notification from Franchisor;

10.1.8 Improper Disclosure. If Franchisee intentionally or negligently discloses to any unauthorized person any component of the System, the Mark, or the Intellectual Property;

10.1.9 Multiple Breaches. If, during the Initial Term of this Agreement and any Interim Period (or during any Renewal Term) Franchisee has received from Franchisor three (3) written notices of default as to any portion, term, covenant (or combination thereof) of this Agreement and Franchisee is again in default of any term or covenant of this Agreement, even if all prior breaches were timely cured;

10.1.10 Improper Transfer. If Franchisee Transfers this Agreement, an interest in this Agreement or the Business, or more than five percent (5.0%) of the Assets of the Business within any ninety (90) Day period, or otherwise violates the terms of Section 9;

10.1.11 Violation of Law. If Franchisee violates any municipal, state, or federal rule, regulation, or law that applies in any way to the Business or Franchisee's operation under this Agreement, and Franchisee then fails to cure the same within any time to cure provided by the governmental entity which cited Franchisee;

10.1.12 Failure to Participate or Complete Required Courses. For any Pillar, if Franchisee's Principal Operator has failed to complete the Training Program, Workshop, PMiLAUNCH, including any related tasks, responsibilities, and assignments, to the satisfaction of the Franchisor;

10.1.13 Failure to Maintain Licenses. If Franchisee fails to maintain and keep current any license necessary for operation of the Business, including but not limited to, business, real estate, and property management licenses and certificates;

10.1.14 Trust Accounts; Improper or False Reporting. If Franchisee fails to follow applicable law related to Customer trust accounts, fails to properly and accurately record and report its revenue in accordance with Section 3.4 of this Agreement, or falsifies any information, data, or reports submitted to Franchisor;

10.1.15 Discipline by State Agency. If a state agency or authority takes disciplinary action, including but not limited to, public reprimand, public citations, probation, suspension, or revocation against Franchisee, its Principal Operator, or one of its Owners;

10.1.16 Failure to Maintain Insurance. If during the Term, Franchisee fails on two (2) separate occasions to retain the insurance policies required in Section 16 of this Agreement;

~~10.1.16~~10.1.17 Failure to Meet Standards. If Franchisor determines, in its sole discretion, that Franchisee has shown repeated failure to meet the standards and expectations of Franchisor in providing property management services or operating its Business; ~~or~~

~~10.1.17~~10.1.18 Failure to Maintain Confidentiality. If Franchisee breaches the confidentiality provision found herein at Section 17.13.

Termination by Franchisor – Thirty (30) Day Notice and Right to Cure.

~~10.1.18~~10.1.19 Other Breaches and Failure to Cure. Franchisor will have the right to terminate this Agreement (subject to any state laws to the contrary) effective upon thirty (30) Days' written notice to Franchisee, if Franchisee breaches any other term, covenant, or condition of this Agreement and Franchisee fails to cure the default during such thirty (30) Day period. After the passage of said thirty (30) Day period without cure, this Agreement will terminate without further notice to Franchisee. Notwithstanding anything to the contrary herein, Franchisor has the right, in its sole discretion, to grant Franchisee an extension of time, beyond the thirty (30) Days, in which to cure. In such an event, however, Franchisor will not be deemed to have waived its rights to later strictly enforce any right to cure, to deny Franchisee the right to cure a future breach for which no cure is provided, or to take such action as is allowed by Franchisor under this Agreement if Franchisee fails to cure during the extended period granted to Franchisee.

~~10.1.19~~10.1.20 Breach of National Account Agreement and Third-Party Agreements. Franchisor will have the right to terminate this Agreement upon expiration of the thirty (30) Day cure period if Franchisee breaches any term of a National Account agreement to which it is a party. Breach of third-party agreements Franchisee may enter into on behalf of the Business may also be considered a breach of this Agreement.

10.2 Franchisor Rights. If Franchisee is terminated without right to cure, fails to cure any event of default within the time period specified, or if no cure is provided, Franchisor may proceed to enforce any or all of the following non-exclusive remedies or any other remedy, claim, cause of action, award, or damages allowed by law or equity, with the understanding that the pursuit of any one remedy shall not be deemed an election or waiver by Franchisor to pursue additional remedies as all remedies are cumulative and are not exclusive.

10.2.1 Action for Lost Profits and Other Damages. Bring one or more actions for lost profits as measured by the Royalty and other fees that would have been due and payable **for the full remaining contract value through the entire Initial Term** had breach, default, and/or termination not occurred; penalties and interest as provided for in this Agreement; and for all other damages sustained by Franchisor as a result of Franchisee's breach of this Agreement.

10.2.2 Acceleration. Accelerate the balance of any outstanding installment obligation due hereunder and bring an action for the entire accelerated balance.

10.2.3 Injunctions. Bring an action for temporary or permanent injunctions and orders of specific performance enforcing the provisions of this Agreement and otherwise stop Franchisee, its Principal Operator, Owners, and Affiliates from engaging in actions prohibited hereby.

10.2.4 Termination. Terminate this Agreement and proceed to enforce Franchisor's rights under the appropriate provisions of this Agreement.

10.2.5 **Territory Reduction.** Reduce the size of Franchisee's Territory at Franchisor's sole discretion, and allow Franchisee to continue operating the Business, keeping other terms of the Franchise Agreement intact. In the event of a Territory Reduction by Franchisor, Franchisee will sign a modification to this Agreement, reflecting the reduction, in compliance with Section 17. If Franchisee does not sign the modification, Franchisor may terminate this Agreement.

10.2.6 **Pillar Restriction.** Restrict Franchisee's ability to provide property management services in a particular Pillar, whether in part or in whole, temporary, or permanent.

10.2.7 **Franchisee's Improper Continuance of Business or Use of System; Violation of Restrictive Covenants.** If after Transfer, repurchase, termination, or expiration Franchisee (i) uses any of the Marks or any aspect of the System; or (ii) violates any restrictive covenant after any termination, or Transfer; or (iii) continues to use Franchisor's Intellectual Property, including the Marks, then, in addition to any remedies provided above, and in addition to any other remedies in law or equity (all of which shall be cumulative and shall not be deemed to be an election of remedies to the exclusion of other remedies), Franchisor's remedies will include, but will not be limited to, recovery of the greater of: (a) all revenue generated by Franchisee in the operation of the Business using Franchisor's or its Affiliates' Marks or System after such Transfer, repurchase, termination, or expiration; and/or (b) all Royalties, advertising contributions, and other amounts which would have been due if such Transfer, repurchase, termination, or expiration had not occurred; and/or (c) liquidated damages in the amount of fifty thousand dollars (\$50,000); and/or (d) any other remedies available in law or equity.

10.3 **Early Termination.** Upon a Termination by Franchisee prior to the Expiration Date ("Early Termination"), Franchisee shall immediately pay Franchisor liquidated damages. Liquidated damages will be equal to the combined monthly average of Royalty Fees, National Marketing Fund contributions, Property Management Fees, and any other fees under this Agreement (without regard to any fee waivers, rebate, or other reductions) payable from the Opening Date through the date of Early Termination, multiplied by the lesser of: (i) 36; or (ii) the number of full months remaining in the Term. In the event of Early Termination for failure to open by the Opening Deadline, the Minimum Monthly Royalty shall be applied as the average Royalty Fee.

10.4 **General Release.** If Franchisor agrees to a Mutual Termination, Franchisee shall agree to sign a General Release, substantially in the form of Addendum E (if permitted in the law of the state where Business is located). A Mutual Termination and execution of a General Release does not eliminate Franchisee's obligation to pay any amounts due under this Agreement, including but not limited to liquidated damages, outstanding fees, or other obligations incurred prior to termination, unless Franchisor expressly waives such obligations in writing.

10.5 **Limitation of Right to Bring Action and Waivers.**

FRANCHISEE MUST BRING ANY LEGAL CLAIM AGAINST FRANCHISOR WITHIN ONE (1) YEAR OF THE DATE THAT THE FACTS WHICH GIVE RISE TO THE CLAIM WERE DISCOVERED OR ONE (1) YEAR FROM THE DATE THAT SUCH FACTS REASONABLY SHOULD HAVE BEEN DISCOVERED.

Franchisee understands that any matters concerning the relationship between Franchisor and Franchisee shall be done on an individual basis and shall not be brought as a class action, or with multiple franchisees (whether as a result of attempted consolidation, joinder, or otherwise).

Franchisee acknowledges and agrees that as a material condition to entering into this Agreement, without which Franchisor would not have entered into this Agreement, Franchisee waives all rights to bring any actions, claims, causes of action, or demands of any kind against any of the following: Franchisor's officers, directors, managers, employees, agents, contractors, members, and Advisors. Franchisee also recognizes and agrees that Franchisor does not have control over the actions or inactions of other franchisees. Thus, Franchisee agrees to waive any claims it may have against Franchisor, related to the actions or inactions of other franchisees. While Franchisee may have a cause of action against another franchisee, Franchisee must bring that cause of action directly against the other franchisee. Franchisor accepts no liability for any claims, damages, costs, or expenses arising from or related to third-party vendor products or services, including those provided by Approved Vendors and Preferred Vendors. Franchisee agrees to waive all rights to bring any actions, claims, causes of action, or lawsuits of any kind against Franchisor for the acts of third parties, including but not limited to, Approved Vendors and Preferred Vendors.

FRANCHISEE AGREES TO WAIVE THE RIGHT TO A JURY TRIAL AND ANY RIGHT TO BE AWARDED EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL DAMAGES.

Initials of Franchisee (MUST INITIAL)

10.6 State or Federal Law Prevails.

IF ANY MANDATORY PROVISIONS OF GOVERNING STATE LAW PROHIBIT TERMINATION OF THE FRANCHISE AGREEMENT, OR IF THE SAME OTHERWISE LIMIT FRANCHISOR'S RIGHTS TO TERMINATE BY IMPOSING DIFFERENT RIGHTS OR OBLIGATIONS AS ARE FOUND HEREIN, THEN SUCH MANDATORY PROVISIONS OF STATE LAW SHALL BE DEEMED INCORPORATED INTO THE AGREEMENT BY REFERENCE AND SHALL PREVAIL OVER ANY INCONSISTENT TERMS IN THE AGREEMENT. IF NO SUCH LAW EXISTS, OR IF SUCH LAW EXISTS BUT PERMITS FRANCHISEE TO AGREE TO ABIDE BY THE TERMINATION PROVISIONS AS SET FORTH HEREIN INSTEAD OF THAT STATE LAW, THEN FRANCHISEE AGREES THAT THE TERMS OF THIS AGREEMENT SHALL PREVAIL.

10.7 **Payment of Fees Is an Independent Covenant.** Franchisee agrees that Franchisee will not withhold payments of Royalties, National Marketing Fees, or any other amounts of money owed to Franchisor or its Affiliates, for any reason, even including a claim by Franchisee of the alleged nonperformance by Franchisor of any obligation hereunder. All such claims by Franchisee shall, if not otherwise resolved by Franchisor, be resolved as permitted in this Agreement, including proceeding with the Dispute Resolution procedures outlined in Section 15.

~~10.7~~10.8 **Action Against Franchisor.** Subject to the limitations of actions as found in Section 10.5 that requires Franchisee to take any action before the expiration of the time limit found therein, prior to starting any arbitration against Franchisor or any of Franchisor's officers, agents, or employees, Franchisee agrees to first give Franchisor sixty (60) Days' prior written notice and an opportunity to cure any alleged act or omission within that time period. If such act or omission cannot be cured within such sixty (60) day period, and Franchisor is diligently continuing efforts to attempt to cure such alleged act or omission, Franchisee will give Franchisor such additional time as is reasonably necessary to cure, which time shall not exceed an additional thirty (30) Days. If Franchisor fails to complete such cure in a timely fashion, then Franchisee has such rights as are permitted herein.

SECTION 11

OBLIGATIONS OF FRANCHISEE UPON TERMINATION OR EXPIRATION

11.1 **Obligations upon Termination or Expiration.** Upon termination or expiration of this Agreement for any reason, Franchisee shall cease to be a licensed franchise and shall comply with the following:

11.1.1 Cease Using Intellectual Property. Franchisee will immediately cease using the Intellectual Property and Franchisee agrees to return all Intellectual Property or Confidential Information to Franchisor;

11.1.2 Pay All Outstanding Fees. Franchisee will immediately pay for all product purchases, advertising fees, and other charges and fees owed or accrued to Franchisor or its Affiliates;

11.1.3 Refrain from Holding Itself Out as a Franchisee. Franchisee will immediately refrain from holding itself out as a Franchisee and immediately cease to advertise or in any way use the System, the Marks, and any Materials, designs, logos, methods, procedures, processes, and other commercial property and symbols or promotional materials provided by or licensed to Franchisee by Franchisor or in any way connected with the Business;

11.1.4 Disassociate. Franchisee will immediately take all necessary steps to disassociate itself from the System and the Business, including but not limited to, the removal of signs and destruction of letterhead. Franchisee must also assign and transfer of all telephone lines, internet sites, Web pages, online directories, social media, and the like to the Franchisor or its designee;

11.1.5 Amend or Cancel DBA. Franchisee will take such action as shall be necessary to amend or cancel any assumed name, fictitious name, business name, or equivalent registration which contains any trade name or Mark of Franchisor's or its Affiliates', or in any way identifies Franchisee as being affiliated with the System;

11.1.6 Notify Others. Franchisee will immediately notify all suppliers, utilities, creditors, and concerned others that Franchisee is no longer affiliated with Franchisor, the System, or the franchise, and provide proof to Franchisor of such notification;

11.1.7 Return of Manual, Materials, and Other Items. If printed materials pertaining to the operation of the Business exist, Franchisee will, within seven (7) Days, return to Franchisor by first class, prepaid, certified, return receipt requested, United States Mail, the Manual (including originals and any copies); all training, advertising, promotional aids, and Materials; all other printed materials pertaining to the operation of the Business; **and a copy of the Customer List and Trade List.** With the exception of the Customer and Trade list, any print materials listed herein may be destroyed in lieu of mail.

11.1.8 Cease Using Franchisor Software. Franchisee will immediately cease using or availing itself of any of Franchisor's Software or its Affiliates' software, hardware, or other proprietary technology; and

11.1.9 Cease Using Approved Vendors. Franchisee will immediately cease using or availing itself of any products or services provided by Approved Vendors.

11.1.10 Evidence of Compliance. Franchisee will furnish evidence satisfactory to Franchisor of compliance with this Section 11 within thirty (30) Days after the termination, expiration, or non-renewal of this Agreement.

SECTION 14

RESTRICTIVE COVENANTS

14.1 Confidentiality and Non-Competition. All terms and conditions of the Franchise Agreement and Amendments, if any, are confidential. Franchisee agrees to have its Owners, the Principal Operator (if different from the Franchisee or its Owners), and all individuals that take an active role in the operation of the Business (*e.g.* employees, agents, contractors, etc.) execute a Confidentiality and Non-Competition Agreement, substantially similar to the form attached as Addendum F, but modified by Franchisee to comport with its applicable state law. During the Term of this Agreement, Franchisee agrees to have any new employees, agents, independent contractors, servants, and Principal Operators sign a Confidentiality and Non-Competition Agreement, substantially in the form attached as Addendum F, but modified by Franchisee to comport with its applicable state law.

14.2 In-Term Covenant Not to Compete. Franchisor and Franchisee share a common interest in avoiding situations where persons or companies who are, or have been franchisees within the System, operate or otherwise become involved with a similar competing business either during or after the termination for any reason of this Franchise Agreement. Therefore, during the Term of this Agreement, Franchisee agrees that Franchisee, its Owners, their respective immediate family, its Principal Operator and Owners, and all others in active concert or participation in the Business shall not, without prior written consent from Franchisor, directly or indirectly assist, perform services for, establish or open, consult with, be employed by, or have equity interest in any firm, corporation, or other business entity (whether as an employee, officer, director, agent, security holder, creditor, consultant, or otherwise) that engages in a Competitive Business. Franchisor consent may be granted or withheld for any reason or for no reason at all. In addition, during the Term, Franchisee, its immediate family, its Principal Operator and Owners, and all others in active concert or participation in the Business shall not participate in conflicting enterprises or any other activities that would be detrimental to, or interfere with, the operations of the Business.

14.3 Post-Term Covenant Not to Compete. Upon termination or expiration of this Agreement for any reason, or upon the occurrence of any Transfer, repurchase, or termination of Franchisee's rights hereunder, and for a period of two (2) years thereafter, Franchisee agrees that Franchisee, its immediate family, its Principal Operator and Owners, and all others in active concert or participation in the Business shall not directly or indirectly assist, perform services for, establish or open, consult with, be employed by, or have equity interest in any firm, corporation, or other business entity (whether as an employee, officer, director, agent, security holder, creditor, consultant, or otherwise) that engages in a Competitive Business which is located within one-hundred (100) miles of the Territory or within one-hundred (100) miles of a territory owned by Franchisor or its Affiliate, or any other franchisee operating under the System, including but not limited to Brokerage.

14.4 Non-Solicitation. During any Term, and for a period of two (2) years following the expiration or termination of this Agreement, Franchisee agrees that Franchisee, its immediate family, Principal Operator, and Owners, or others in active concert or participation in the Business, will not: (i) directly or indirectly divert or attempt to divert any business or Customer of Franchisee, Franchisor or its Affiliates, franchisee, or Affiliate, to any business or entity that provides services similar to Franchisor, its Affiliates, or franchisees; (ii) directly or indirectly engage in any act which is injurious or prejudicial to the goodwill associated with Franchisor, its Affiliates or franchisees, or the System or the value of the Marks; or (iii) solicit, hire, engage, employ, or contract with any current or former employee or

independent contractor of Franchisor, its Affiliates or any franchisees (including Preferred Vendors, National Accounts, software solutions, etc.), without prior written authorization from Franchisor. Additionally, during any Term, and for a period of two (2) years following the expiration or termination of this Agreement, Franchisee shall not engage in any behavior or acts that may divert or divert revenue away from Franchisor, its Affiliates, or any franchisees.

14.5.14.5 Post-Covenant Use of Franchisor Software and Preferred & Approved Vendors. For a period of two (2) years following the expiration or termination of this Agreement, Franchisee agrees that it shall be prohibited from using any Franchisor Software, Preferred Vendors, or Approved Vendors without prior written authorization from Franchisor.

14.6.14.6 Injunctive Relief. Franchisee agrees that any violation of this Section 14 would result in irreparable injury to Franchisor, its Affiliates, and the System, and that Franchisor would be without an adequate remedy at law. Franchisee, therefore, agrees that in the event of a breach or threatened breach of this Agreement, Franchisor will not be required to prove actual or threatened damage from such breach in order to obtain a temporary or permanent injunction and a decree for specific performance of the terms of this Section 14. Additionally, in any such action, Franchisee agrees that Franchisor will not be required to post a bond. In addition to injunctive relief, Franchisor shall be entitled to any other remedies which it may have under this Agreement, at law or in equity.

14.7.14.7 Severability; Savings Clause. If all or any portion of a covenant in this Section 14 is held unenforceable by a court or an arbitrator having valid jurisdiction in a final decision between the Parties hereto and from which no appeal has or may be taken, the Parties expressly agree to be bound by the remaining portion of such covenant. For purposes of interpretation of the covenants found in this Section 14, every location of a Business, every month of time, each mile of distance, or any other restriction shall be considered severable. In the event an arbitrator or court of competent jurisdiction interprets a spatial, temporal, or other limitation in any of the above restrictive covenants to be overly broad, then the court shall adjust the offending limitation, in the most limited manner possible, so as to fashion a reasonably enforceable covenant which upholds the restrictive nature of this Section 14 to the fullest extent of the law.

14.8.14.8 Reasonable Restrictions. The Parties agree that the covenants found in this Section 14 are intended to be a reasonable restriction on Franchisee and those others identified above. Franchisor and Franchisee agree that the purpose of these restrictions is to protect the entire franchise system from unfair competition and to protect the goodwill, time, and effort spent by Franchisor in creating the Marks, the System, and the Intellectual Property. Franchisee acknowledges that Franchisor would not have shared such information with Franchisee unless Franchisee agreed to be bound by the terms of this Section 14. Franchisee further represents that Franchisee has skills of a general and specific nature and has other opportunities, or will have other opportunities, to use such skills, and that the enforcement of these covenants will not unduly deprive Franchisee of the opportunity to earn a living.

14.9.14.9 Application. If Franchisee is a business entity of any nature and is otherwise not signing this Franchise Agreement individually, this Section 14 will apply to all its Principal Operator and Owners and their immediate family, and all others in active concert or participation in the Business and Affiliates.

Venue, Jurisdiction, and Governing Law.

15.1.7 **Venue; Jurisdiction.** Any meeting/mediation/arbitration will be conducted exclusively at a neutral location within twenty-five (25) miles of Franchisor's then-current headquarters, or at another location determined by the arbitrator but within the state in which Franchisor's then-current headquarters is located. The Parties hereto hereby agree to submit to the jurisdiction and venue outlined herein for the purposes hereof.

15.1.8 **Choice of Law.** Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 *et seq.*), or other federal law, this Agreement shall be interpreted under the laws of the State of Wyoming, without regard to the application of conflicts of law principles. However, certain state laws may modify or override this governing law provision. Refer to the applicable state addenda in the Franchise Disclosure Document (FDD) for any state-specific modifications.

15.2 **Disputes Not Subject to the Meeting/Mediation/Arbitration Process.** The following claims are not subject to the face-to-face meeting, mediation, and arbitration provisions of this Section 15:

- (a) an order of injunctive relief and any related incidental damages;
- (b) an action for disputes or claims related to or based on the Marks or the Intellectual Property; or
- (a)(c) an order enforcing any covenant not to compete or not to solicit. Any such claims shall be brought exclusively in the state courts of the State of Utah or in the federal courts of the United States which are located in Salt Lake County, Utah. The Parties hereto hereby agree to submit to the jurisdiction and venue of such courts for the purposes hereof.

SECTION 16

INSURANCE

16.1 **Required Insurance and Coverage Amounts.** Prior to opening the Business, Franchisee agrees to purchase and maintain in full force and effect during the Initial Term of this Agreement (and any Interim Period or Renewal Term) at Franchisee's sole cost and expense, an insurance policy or policies protecting Franchisee and Franchisor, and the officers, directors, partners, agents, owners, Affiliates, and employees of both Franchisor and Franchisee against any loss, liability, personal injury, death, claim, property damage, or expense whatsoever arising or occurring upon or in connection with the operation of the Business. The specific insurance listed below must be included as part of any such policy or policies:

16.1.1 **"All Risk".** "All risk" (special form) property insurance coverage for all assets, including inventory, furniture, fixtures, equipment, supplies, and other property used in the operation of the Business. This must include coverage for fire, vandalism, and malicious mischief with coverage limits of at least full replacement cost.

16.1.2 **"Cyber Liability".** One million dollar (\$1,000,000) cyber limit requirement.

16.1.3 General Liability. Comprehensive general liability insurance, including coverage for products-completed operations, contractual liability, personal and advertising injury, fire damage, and medical expenses having a combined single limit for bodily injury and property damage of one-million dollars (\$1,000,000) per occurrence and two-million dollars (\$2,000,000) in the aggregate.

16.1.4 Workers' Compensation. Workers' compensation insurance that complies with the statutory requirements of the state in which the Business is located and employer liability coverage with a minimum limit of one-million dollars (\$1,000,000). This coverage is required after one employee is hired, regardless of state requirements.

~~16.1.3~~ **16.1.5 Errors and Omissions.** Errors and Omissions (E&O) professional liability insurance with a minimum limit of one-million dollars (\$1,000,000) per occurrence and must include coverage for property management, realtor, and real estate brokerage services.

16.1.5 Auto. Automobile liability insurance in reference to the vehicle or vehicles that are used in the operation of the Business: automobile liability coverage for owned, non-owned, scheduled, and hired vehicles, with a combined single limit of at least one-million dollars (\$1,000,000), or, if higher, the statutory minimum limit required by state law.

16.2 Insurance Company Rating. The foregoing policies shall be written by an insurance company rated A-minus or better, in Class 10 or higher, by Best Insurance Ratings Service, and satisfactory to Franchisor in accordance with standards and specifications set forth in the Manual or otherwise in writing, from time to time, and shall include, at a minimum (except as additional coverage and higher policy limits may be specified by Franchisor from time to time), the coverage found above.

16.3 Named Insured. Franchisor and its officers, directors, partners, agents, employees, Affiliates, and subsidiaries shall be named as an additional insured on all policies.

16.4 Notice to Franchisor of any Termination. All policies shall expressly provide that not less than thirty (30) Days' prior written notice shall be given to Franchisor in the event of material alteration to termination, non-renewal, or cancellation of the coverage evidenced by such policies.

16.5 Proof of Insurance Provided to Franchisor. Prior to the opening of the Business and thereafter at least thirty (30) Days prior to the expiration of any such policy or policies, Franchisee shall deliver to Franchisor the actual policy or policies of insurance or certificates issued by the insurer (and not the broker) evidencing the proper coverage with limits not less than those required hereunder. If proof of insurance is not delivered timely, Franchisee will be assessed a daily Late Fee.

16.6 Right of Franchisor to Terminate for Failure to Maintain. If Franchisee fails on two (2) separate occasions to retain the insurance policies required in this Section 16, Franchisor may terminate this Agreement.

Additional Insurance Requirements.

16.7 Clients. Franchisee shall require all of Franchisee's Clients (including property owners and tenants) to maintain insurance on properties that Franchisee manages in amounts that are reasonable and customary for the type of property and business conducted by or leased by the Client and to name Franchisee and Franchisor, if possible, as an additionally insured on said properties and policies.

16.7.1 Service Providers. Franchisee shall require all of Franchisee's service providers to maintain insurance, in amounts that are reasonable and customary for the type of business conducted by the service provider, and, if possible, to name Franchisee and Franchisor as an additional insured on said policies.

SECTION 17

MISCELLANEOUS

17.1 Disclosure of Franchisee's Information. Franchisor may disclose, in its Franchise Disclosure Document or otherwise, any information concerning Franchisee and the Business, including Franchisee's name, address, telephone number, financial, and other information, during the Initial Term, any Renewal Term, Interim Period, or after the termination of expiration of this Agreement.

17.2 Ownership of Data. Franchisor may have independent access to the information and data generated by Franchisee through the Business and stored electronically, and Franchisor reserves the right to use such information and data in any way it chooses, at Franchisor's discretion, to benefit the System.

17.3 Complaints and Litigation. Franchisor is not responsible for disputes between Franchisee and its customers, vendors, or other third parties. However, if Franchisor receives complaints or is served with lawsuits related to Franchisee's misconduct or violation of law, Franchisor may, at its sole discretion, determine whether to intervene or take action. Nothing in this Agreement requires Franchisor to resolve complaints or disputes on Franchisee's behalf. If Franchisor elects to take action, Franchisee remains fully responsible for compliance with this Agreement and any liabilities resulting from its business operations.~~In the event that Franchisor receives complaints from or is served with lawsuits by customers and vendors of Franchisee alleging Franchisee misconduct and/or a violation of law, Franchisor reserves the right to resolve such complaints at its sole discretion, although Franchisor is not required to do so. Franchisor may pursue legal options against Franchisee to resolve such complaints and to enforce the terms of this Agreement.~~

17.4 Modification. This Agreement may only be modified in a written agreement which is signed by all Parties to this Franchise Agreement. Franchisee acknowledges that Franchisor may modify its standards, specifications, suppliers, vendors, operating processes, and marketing procedures, including but not limited to: goods and services Franchisee provides and vendors and Franchisor Software solutions Franchisee uses, as well as those set forth in the Manual, unilaterally and under any conditions and to the extent to which Franchisor, in its sole discretion, deems necessary to protect, promote, or improve the Marks and the quality of the System in general. These changes will likely require Franchisee to pay additional one-time, monthly, or transactional fees.

17.5 Entire Agreement – Merger. This Agreement, including all exhibits and addenda, contains the entire agreement between the Parties and supersedes any and all prior oral, written, express, or implied agreements, statements, or understandings concerning the subject matter hereof. However, nothing in this Agreement or any related agreement is intended to disclaim the Franchisor's representations made in the Franchise Disclosure Document. Subsequent agreements between the Franchisor and Franchisee do not modify or amend this Agreement, unless explicitly stated.

17.6 Non-Waiver of Claims. 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

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above set forth.

FRANCHISOR

PROPERTY MANAGEMENT INCORPORATED FRANCHISE, LLC

a Wyoming limited liability company

By: PMI MM, Inc., *a Wyoming limited liability company*

Its: Manager

Name: Stevenn Hart, CEO

FRANCHISEE

Signature: _____

Name: _____

Address: _____

City, State, Zip: _____

Email: _____

Telephone No.: _____

Signature: _____

Name: _____

Address: _____

City, State, Zip: _____

Email: _____

Telephone No.: _____

OR (if a business entity):

Company Name: _____

Signature: _____

By (Name): _____

Its (Role): _____

Address: _____

City, State, Zip: _____

Email: _____

Telephone No.: _____

ADDENDUM A

PMI BOOKKEEPING SERVICES & TRAINING PROGRAM

Letter of Understanding

This letter of understanding outlines the responsibilities of the PMiBOOKS team and the FRANCHISEE regarding assisting the FRANCHISEE with developing their knowledge and skills required to effectively manage the bookkeeping for their PMI franchise. The PMiBOOKS program is a temporary training solution for new franchisees until they either reach a level of ~~competency~~, or competency or have hired team members to manage the property management accounting functions.

PMiBOOKS will provide services month-to-month. If the FRANCHISEE meets the criteria to discontinue PMiBOOKS services, the FRANCHISEE may submit a request to discontinue utilizing PMiBOOKS by providing sixty (60) days written notice to the PMiBOOKS team. If such a request is approved by PMiBOOKS, in consultation with Franchisor, services will no longer be provided.

After the FRANCHISEE provides sixty (60) days written notice to discontinue PMiBOOKS services, FRANCHISEE must complete the PMiBOOKS offboarding process, which includes completing the FRANCHISOR “do-it-yourself” bookkeeping training course.

PMiBOOKS services will no longer be provided upon termination or expiration of Franchisee's Franchise Agreement with Franchisor.

PMiBOOKS may also discontinue providing PMiBOOKS services for FRANCHISEE's failure to provide data to the PMiBOOKS team, failure to complete tasks in a timely manner, or for FRANCHISEE's failure to maintain a valid Property Management Software subscription if such breach is not cured within 30 days after PMiBOOKS provides notice to FRANCHISEE of the intent to discontinue providing PMiBOOKS services.

Any additional work or changes that PMiBOOKS must perform that are not specified in this Letter of Understanding must be mutually agreed upon (email will be sufficient). PMiBOOKS will charge the current market rate of \$85.00 (Eighty-Five Dollars) per hour for any additional work or changes. This charge is subject to market increases at the discretion of PMiBOOKS upon thirty days prior written notice to FRANCHISEE.

OVERVIEW OF STR SERVICES

The PMiBOOKS team will perform the following services for FRANCHISEE after FRANCHISEE provides the required data to the PMiBOOKS team:

- a. Enter Data into Property Management Software, depending on tasks.
- b. Within the payables section of the Property Management Software, (i) record vendor invoices; (ii) create recurring vendor invoices as specified FRANCHISEE; ~~(i)~~ (iii) attach vendor invoices to work orders; ~~(iv)~~ (v) pay the invoices through bill pay, provided the owner has a balance to pay all or a portion of the bills; and ~~(vi)~~ (v) create checks in PDF, and forward to FRANCHISEE via email for the FRANCHISEE to print and send.

c. Enter data into the Property Management Software, including without limitation, (i) entering owner checks (owner draws); (ii) preparing, publishing, and sending owner statements; (iii) entering necessary journal entries and adjustments to close the accounting period; (iv) entering or calculating management fees; (v) entering all debit/credit card transactions; (vi) processing all invoices/bills; (vii) reconciling taxes payable by Franchisee; (viii) entering all automatic withdrawals and transfers; (ix) performing regular bank reconciliations; (x) performing regular reconciliations of guest and owner deposits; and (xi) providing and monitoring monthly reports as specified on a monthly checklist under the FRANCHISEE's direction.

d. Work with Franchisee in a combined effort to match Franchisor's best practices with Franchisee's business and train on processing all rent and other payments PMiBOOKS has the right, but not the obligation to enter data in other sections of your software as may be necessary to fulfill the purposes of this Agreement. PMiBOOKS will in no way provide, advise, or consult regarding any services related to any tax issues (federal, state, or local), unless otherwise engaged in writing, which would require additional fees.

FRANCHISEE understands that it is their responsibility to:

a. Keep your Property Management Software subscription current in order for PMiBOOKS to perform its obligations.

b. Enter Data under the Upsell Items section of the Property Management Software including (i) all guest fees to be charged upon booking; (ii) non-refundable deposit charges; ~~(iii)~~ taxes to be held according to state/county laws; ~~(iv)~~ additional guest charges post-booking; (v) cleaning fees; (vi) refunds; ~~(vii)~~ additional amenity fees; ~~(ix)~~ rebates from vendors; and, but not limited to, (ix) your other income.

c. Enter all necessary information into the Property Management Software as assigned and with oversight by PMiBOOKS and work with PMiBOOKS in a combined effort to match Franchisor's best practices with Franchisee's business.

d. Provide to PMiBOOKS all Data as requested for both business expenses and Franchisee's customer expenses and charges.

e. Provide PMiBOOKS team read only access to PMI bank and business credit card account, for verification and reconciliation purposes.

f. Enter all information/documentation into the Google Drive provided by PMiBOOKS, including without limitation: vendor invoices, W-9s, and OTA (online travel agency) statements.

g. Verify all information in the Payables section of the Property Management Software that was entered by PMiBOOKS, provide a completed IRS form W-9 for each new vendor in addition to vendor contact information, and send to PMiBOOKS a copy of the invoice and any details that PMiBOOKS requires, as well as any payments made by Franchisee that were not provided to PMiBOOKS.

h. Inform PMiBOOKS of payments from owners (owner contributions) upon being received from owners, verify all information, and provide a completed IRS form W-9 for each owner. Provide “view only” access to payment processing software used with Property Management Software. Provide view only access to preferred vendor accounts.

i. Link bank account to Property Management Software.

j. FRANCHISEE will complete their own royalty reports.

If there are any data-entry issues caused by FRANCHISEE needing to be corrected by PMiBOOKS, which determination will be made by PMiBOOKS, there will be an additional charge at the market hourly rate, currently \$85.00 (Eighty-Five Dollars) per hour, in order for PMiBOOKS to correct the data entry error. This charge is subject to market increases at the discretion of PMiBOOKS.

FRANCHISEE agrees and acknowledges that the obligations to be performed under this Agreement are necessary and required, and that there may be other entries to be performed by FRANCHISEE in the Property Management Software in order to fully utilize the software’s features.

FRANCHISEE further agrees and acknowledges that PMiBOOKS may share any and all Data and financial information of FRANCHISEE collected or made known to PMiBOOKS with Franchisor and its officers, directors, and employees for purposes of—including, but not limited to—calculating royalties, determining and analyzing financial health of Franchisee, and creating financial performance representations.

FRANCHISEE acknowledges they are using the following:

Property Management Software

→ ~~Booking Automation~~ Guesty

~~Booking Automation~~

→ Ximplify

~~Streamline~~

→ Process Street

→ QuickBooks Online

~~In regards to~~ Regarding fees: All services performed by PMiBOOKS per this Letter of Understanding are to be prepaid. The cost of services provided are at the following rate: \$100 onboarding onto PMiBOOKS for STR bookkeeping services, \$50 per key for onboarding/set-up of the key, \$50 per active key (according to Property Management Software) per month, regardless of status, with a minimum fee of \$100.00 per month.

Fees may be adjusted by the PMiBOOKS team at its discretion upon 30 days’ notice to FRANCHISEE. Fees due for the following month will be assessed on the 15th of the previous month, and payments to PMiBOOKS will be automatically deducted by the 15th day of the month by ACH.

Acknowledgement that franchisee received a copy of the Letter of Understanding.

Franchisee Name: _____

Date: / / **Signature:** _____

OVERVIEW OF RESIDENTIAL SERVICES

The PMiBOOKS team will perform the following services for FRANCHISEE after FRANCHISEE provides the required data to the PMiBOOKS team:

- a. Enter Data into Property Management Software, depending on tasks.
- b. Within the payables section of the Property Management Software, (i) record invoices from vendors; (ii) create recurring invoices for vendors as specified in Data; (iii) create marked-up vendor invoices for your Franchise; (iv) attach invoices to work orders; (v) pay the invoices through bill pay, provided the owner has a balance to pay all or a portion of the bills; and (vi) create checks in PDF, and forward to FRANCHISEE via email for the FRANCHISEE to print and send.
- c. Enter data into the Property Management Software, including without limitation, (i) entering owner checks (owner draws); (ii) preparing owner statements; (iii) entering necessary journal entries and adjustments to close the accounting period monthly; (iv) entering or calculating management fees; (v) entering all debit/credit card transactions; (vi) processing all invoices/bills; (vii) calculating all late fees; (viii) reconciling taxes payable by Franchisee; (ix) entering all automatic withdrawals and transfers; (x) performing regular bank reconciliations; (xi) performing regular reconciliations of guest and owner deposits; (xii) providing and monitoring monthly reports; (xiii) entering owner and lease agreements based on information provided by the FRANCHISEE; and (xiv) setting up new doors (units and buildings) in the Property Management Software.
- d. Work with Franchisee in a combined effort to match Franchisor's best practices with Franchisee's business and train on processing all rent and other payments. PMiBOOKS has the right, but not the obligation, to enter data in other sections of your software as may be necessary to fulfill the purposes of this Agreement. PMiBOOKS will in no way provide, advise, or consult regarding any services related to any tax issues (federal, state, or local), unless otherwise engaged in writing, which would require additional fees.

FRANCHISEE understands that it is their responsibility to:

- a. Keep your Property Management Software subscription current in order for PMiBOOKS to perform its obligations. Perform a complete and comprehensive setup of the software and qualify for all credit screening and other necessary software features by completing the background check and other setup tasks required by the Property Management Software.
- b. Enter Data under the Upsell Items section of the Property Management Software, including but not limited to: (i) all management fees and categories charged by FRANCHISEE in setup; (ii) non-refundable deposit charges; (iii) your application fee charges and payments; (iv) taxes to be held according to state/county laws; (v) additional guest charges post booking; (vi) cleaning fees; (vii) refunds; (viii) additional amenity fees; (ix) rebates from vendors; (x) your other income; and (xi) payments from your tenants.
- c. Enter all necessary information into the Property Management Software as assigned and with oversight by PMiBOOKS, and work with PMiBOOKS in a combined effort to

match Franchisor's best practices with Franchisee's business.

d. Provide to PMiBOOKS all Data as requested for both business expenses and Franchisee's customer expenses and charges, including the auto-charges for rent and all charges you want applied to the Lease.

e. Provide PMiBOOKS team read only access to PMI bank and business credit card account, for verification and reconciliation purposes.

f. Enter all information and documentation into the Google Drive provided by PMiBOOKS, including without limitation: vendor invoices, W-9s, and OTA (online travel agency) statements.

g. Verify all information in the Payables section of the Property Management Software that was entered by PMiBOOKS, provide a completed IRS form W-9 in addition to vendor contact information, and send to PMiBOOKS a copy of the invoice and any details that PMiBOOKS requires, in addition to ~~and~~ any payments made by Franchisee that were not provided to PMiBOOKS.

h. Inform PMiBOOKS of payments from owners (owner contributions) upon being received from owners, verify all information, and provide a completed IRS form W-9 for each owner.

i. Provide view ~~only~~ access to payment processing software used with Property Management Software. Provide view only access to preferred vendor accounts.

j. Link bank account to Property Management Software.

k. Transfer management fees after ~~PmiBOOKS~~ PMiBOOKS has calculated, prepared, and paid management fees in the system.

l. FRANCHISEE will complete their own royalty reports.

If there are any data-entry issues caused by FRANCHISEE needing to be corrected by PMiBOOKS, which determination will be made by PMiBOOKS, there will be an additional charge at the market hourly rate, currently \$85.00 (Eighty-Five Dollars) per hour, in order for PMiBOOKS to correct the data entry error. This charge is subject to market increases at the discretion of PMiBOOKS.

FRANCHISEE agrees and acknowledges that the obligations to be performed under this Agreement are necessary and required, and that there may be other entries to be performed by FRANCHISEE in the Property Management Software in order to fully utilize the software's features.

FRANCHISEE further agrees and acknowledges that PMiBOOKS may share any and all Data and financial information of FRANCHISEE collected or made known to PMiBOOKS with Franchisor and its officers, directors, and employees for purposes of ~~including~~ but not limited to calculating royalties, determining and analyzing financial health of Franchisee, and creating financial performance representations.

FRANCHISEE acknowledges they are using the following Property Management Software:

_____~~Propertyware~~PropertyWARERentvine

_____Appfolio

_____Process Street

_____QuickBooks Online

Fees may be adjusted by the PMiBOOKS team. The cost of services provided are at the following market rate, currently \$20 per Door monthly, which includes \$5/door for reconciliations ~~and monthly~~, \$15/door for bookkeeping monthly for a total of \$20 per Door monthly. Additional services are billed at \$75/hour (\$85/hour if no doors are being billed for). Reconciling the operating bank account (property management business account) ~~and is~~ an additional 2% of operating expenses per month. Reconciling credit card accounts is not included and the use of credit cards for trust account expenses is not allowed or recommended in order to be on PMiBOOKS. There is a minimum fee of \$100.00 per month.

The market rate may be adjusted by the PMiBOOKS team at its discretion upon 30 days' notice to FRANCHISEE. Fees due for the following month will be assessed on the 15th of the previous month, and payments to PMiBOOKS will be automatically deducted by the 15th day of the month by ACH.

Acknowledgement that franchisee received a copy of the Letter of Understanding.

Franchisee: _____

OVERVIEW OF ASSOCIATION SERVICES

The PMiBOOKS team will perform the following services for FRANCHISEE after FRANCHISEE provides the required data to the PMiBOOKS team:

- a. Enter Data into Property Management Software, depending on tasks, if franchisee, for a fee, elects to have PMiBOOKS do the data entry.
- b. Within the payables section of the Property Management Software, (i) record invoices from vendors; (ii) create recurring invoices for vendors as specified in Data; (iii) create marked-up bills for your Franchise; (iv) attach invoices to work orders; (v) pay invoices via ACH, or record EFT payments; and (vi) ~~Post-post~~ invoice to Check Printing Client Download for ~~franchisee~~ Franchisee to print.
- c. Complete CINC DAILY TASKS, including without limitation, (i) daily bank account reconciliation; (ii) review and correct accounting alerts; (iii) review and post bank returns; (iv) process owner payments; and (v) make necessary owner adjustments.
- d. Work with Franchisee in a combined effort to match Franchisor's best practices with Franchisee's business and train on processing and other payments. PMiBOOKS has the right, but not the obligation, to enter data in other sections of your software as may be necessary to fulfill the purposes of this Agreement. PMiBOOKS will in no way provide, advise, or consult regarding any services related to any tax issues (federal, state, or local), unless otherwise engaged in writing, which would require additional fees.

~~d.e.~~ Provide monthly financial packet to FRANCHISEE for each association managed by PMiBOOKS.

FRANCHISEE understands that it is their responsibility to:

a. Keep ~~your~~ Property Management Software subscription current in order for PMiBOOKS to perform its obligations.

b. Upload vendor invoices into CINC via Client Download.

~~c. P~~Need to provide PMiBOOKS with all non-partner bank statements within 10 days of the month close.

~~e.d.~~ Verify all information in the Payables section of the Property Management Software that was entered by PMiBOOKS (or ~~franchisee~~Franchisee), provide a completed IRS form W-9 in addition to vendor contact information, and send to PMiBOOKS a copy of the invoice and any details that PMiBOOKS requires, in addition to—and any payments made by Franchisee that were not provided to PMiBOOKS.

~~d.e.~~ Provide access to payment processing software used with Property Management Software.

~~e.f.~~ FRANCHISEE will complete their own royalty reports.

~~f.g.~~ FRANCHISEE will review monthly financials packets provided by the PMiBOOKS team and will notify PMiBOOKS team if there are any corrections that need to be made.

If there are any data-entry issues caused by FRANCHISEE needing to be corrected by PMiBOOKS, which determination will be made by PMiBOOKS, there will be an additional charge at the market hourly rate, currently \$85.00 (Eighty-Five Dollars) per hour, in order for PMiBOOKS to correct the data entry error. This charge is subject to market increases at the discretion of PMiBOOKS.

FRANCHISEE agrees and acknowledges that the obligations to be performed under this Agreement are necessary and required, and that there may be other entries to be performed by FRANCHISEE in the Property Management Software in order to fully utilize the software's features.

FRANCHISEE further agrees and acknowledges that PMiBOOKS may share any and all Data and financial information of FRANCHISEE collected or made known to PMiBOOKS with Franchisor and its officers, directors, and employees for purposes of—including, but not limited to—calculating royalties, determining and analyzing financial health of Franchisee, and creating financial performance representations.

FRANCHISEE acknowledges they are using the following Property Management Software:

- CINC Systems
- PMI's Association Banking Partner
- Process Street
- QuickBooks Online (QBO)

Fees may be adjusted by the PMiBOOKS team. The cost of services provided are at the following rate, currently Onboarding per unit \$2.50 per unit with a minimum of \$75 per association. Ongoing monthly services will be charged at 20% of the monthly management fee charged to the association with a \$100 minimum.

The rate may be adjusted by the PMiBOOKS team at its discretion upon 30 days' notice to FRANCHISEE. Fees due for the following month will be assessed on the 15th of the previous month, and payments to PMiBOOKS will be automatically deducted by the 15th day of the month by ACH.

Acknowledgement that Franchisee received a copy of the Letter of Understanding.

Franchisee: _____

ADDENDUM B
STATEMENT OF OWNERSHIP

Trade Name (dba): _____

FORM OF OWNERSHIP

(Check One)

_____ Individual _____ Corporation _____ Limited Liability Company

Individual Name. _____ Title _____ Address _____ Ownership %

Individual Name. _____ Title _____ Address _____ Ownership %

OR

The Corporation was incorporated _____, 20__, in the state of _____.

The name, address, title and ownership percentage of each officer, director, and shareholder are provided below:

<i>Legal Name of Entity</i>	<i>Title</i>	<i>Address</i>	<i>Ownership %</i>
By:			
By:			
By:			
By:			

Franchisee to provide a copy of the Articles of Incorporation certified by the Secretary of State and a copy of the By-laws of the Corporation certified by an officer or director of the Corporation.

OR

(Continued, next page)

(Addendum A, continued)

The limited liability company was organized _____, 20____, in the state of_____.

The names and addresses of each Manager are provided below:

<u>Legal Name of Entity</u>	<u>Title</u>	<u>Address</u>	<u>Ownership %</u>
<u>By:</u>			
<u>By:</u>			
<u>By:</u>			
<u>By:</u>			

Franchisee to provide a copy of the Certificate of Organization certified by the Secretary of State and an executed copy of the Operating Agreement.

Any and all changes to this information must be reported immediately to Franchisor in writing. Franchisee acknowledges that this Statement of Ownership is true and accurate, and that it applies to the Business authorized under this Franchise Agreement.

Franchisee acknowledges that this Statement of Ownership applies to the Business authorized under this Franchise Agreement.

FRANCHISEE

(If an individual)

Signature: _____

Name: _____

OR: *(If a business entity)*

Company Name: _____

Signature: _____

By: (name) _____

Its: (role) _____

ADDENDUM C

LOCATION AND TERRITORY

1. **Office**. The Office shall be located at:
2. **Legal Address**. The business address for any notices mailed under the Franchise Agreement shall be: _____
3. **Territory**. Franchisee's Territory is described as follows:

Signed on this date: _____.

FRANCHISOR

PROPERTY MANAGEMENT INCORPORATED FRANCHISE, LLC

a Wyoming limited liability company

By: PMI MM, Inc., a Wyoming corporation

Its: Manager Steven Hart, CEO

FRANCHISEE

Signature: _____

Individual: (Print Name)

OR: *(If a business entity)*

Company Name: _____

Signature: _____

By: (Name)

Its: (Role)

ADDENDUM D

AUTHORIZATION AGREEMENT FOR PREAUTHORIZED PAYMENT SERVICE

The undersigned owner(s) (“**Owner(s)**”) of the bank account identified below (“**Account**”) authorize and request Property Management Incorporated Franchise, LLC (the “**Franchisor**”) to obtain payment for payments due, including but not limited to Royalty, expenses, and all other fee amounts owed to Franchisor pursuant to the Franchise Agreement between the Franchisor and Owner(s), as these amounts become due by initiating a payment entry to the Account. Payment should be deducted from the Account identified below. In addition, the Owner(s) authorize and request the bank identified below (“**Bank**”), to accept the payment entries presented to the Bank and to deduct such payments from the Account, without liability for the correctness of these payments.

FRANCHISEE INFORMATION:

Personal Name(s) (if Franchisee is an individual/individuals):

OR: (if a business entity)

Entity Legal Name: _____

d/b/a: _____

FRANCHISEE’S BANK ACCOUNT INFORMATION:

Bank Name: _____ Bank Address: _____

Transit Routing No.: _____ Checking Account No.: _____

SIGNATURE(S) OF ACCOUNT OWNER(S):

Print Name: _____

Title: _____

Signature: _____

Date Signed: _____

Print Name: _____

Title: _____

Signature: _____

Date Signed: _____

~~7-11.~~ Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

~~12.~~ Amendments. This Agreement may not be changed or modified except by writing signed by all the Parties.

~~8-13.~~ Dispute Resolution and Jurisdiction. Any disputes involving this Agreement shall be resolved in accordance with Section 15 of the Franchise Agreement. Any cause of action, claim, suit, or demand allegedly arising from or related to the terms of this Agreement or the relationship of the parties not subject to arbitration pursuant to Section 15 of the Franchise Agreement must be brought in the Federal District Court for the District of Utah or in Salt Lake County State Courts in Salt Lake City, Utah. Both parties hereto irrevocably admit themselves to, and consent to, the exclusive jurisdiction of said courts.

~~9-14.~~ Governing Law. Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 *et seq.*) or other federal law, this Agreement shall be interpreted under the laws of the State of Wyoming, without regard to the application of conflicts of law principles.

~~10-15.~~ Fees and Costs. In any action to enforce, interpret, or seek damages for violation of this Agreement, the prevailing Party shall recover all attorney's fees and expenses.

~~11-16.~~ Severability. If any provision of this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired thereby.

~~12-17.~~ Authorization. Each Party warrants that each individual executing this Agreement on behalf of the respective Parties is fully authorized to do so by each of the respective Parties and each individual executing this Agreement warrants that he or she is acting within the scope of his or her employment and authority in executing this Agreement.

~~13-18.~~ Counterparts and Facsimile. This Agreement may be executed in counterparts or by copies transmitted by facsimile or other electronic means, all of which shall be given the same force and effect as the original. This Agreement shall be effective when the signatures of all Parties have been affixed to counterparts or copies.

~~14-19.~~ Entirety. This Agreement contains the entire agreement between the Parties related to the subject matter hereof, and in entering into this Agreement, each Party represents that he, she, or it is doing so voluntarily and of his, her, or its own free will, and have executed this Agreement below acknowledging that each Party has completely read and fully understands the terms of this Agreement.

~~15-20.~~ State of Washington. This Agreement does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

IN WITNESS WHEREOF, the Parties have
duly executed this Agreement, as of the day and
year first above written.

FRANCHISOR

**PROPERTY MANAGEMENT
INCORPORATED FRANCHISE, LLC**
a Wyoming limited liability company

PMI MM, Inc., Its Managing Member
Steven Hart, CEO

FRANCHISEE

Signature:

Name:

OR: (If a business entity)

Company Name: _____

Signature: _____

By: (Name) _____

Its: (Role) _____

EXHIBIT C

~~PMIWAY~~OPERATIONS MANUAL - TABLE OF CONTENTS

Operations Manual - Table of Contents

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Franchisees with open outlets as of December 31, 2024

State	Business Name	Contact-First Name	City	Phone Number
AL	PMI Birmingham Region	John Ellis	Pelham Vestavia / AL	(608) 301-6038
<u>AL</u>	<u>PMI Gulf Shores</u>	<u>Louis Beese</u>	<u>Gulf Shores / AL</u>	<u>(251) 200-5558,</u> <u>(815) 341-3194</u>
AL	PMI North Alabama	Scott Abernathy	Huntsville / AL	(615) 867-8282
<u>AL</u>	<u>PMI Orange Beach</u>	<u>Zed LaCour</u>	<u>Orange Beach / AL</u>	<u>(337) 476-1176,</u> <u>(225) 306-3174</u>
AL	PMI River Region	Electia Love	Montgomery / AL	(334) 819-5414
AL	PMI Wiregrass	William Haddon	Ozark / AL	<u>(334) 521-1788,</u> (334) 545-2121
AR	PMI Heritage	Manvi Huyen	Fayetteville -Hiwasee / AR	(479) 579- 956 236-9564
AZ	PMI Camelback	Joseph Gannon	Phoenix / AZ	(602) 661-9300
AZ	PMI East Valley	Bill Scheidt	Scottsdale / AZ	(480) 264-7193
AZ	PMI Greater Phoenix	John Khayat	Scottsdale / AZ	(480) 641-9163
AZ	PMI Lake Havasu	Eddy Bean	Lake Havasu / AZ	(208) 970-2460
AZ	PMI Northern Arizona	Sarah Thompson	Prescott / AZ	(928) 778-5181
AZ	PMI Phoenix Golden West	James Murphy	Phoenix / AZ	(602) 329-9531
AZ	PMI Phoenix Metro	Tony Cline	Goodyear / AZ	(623) 287-2500
AZ	PMI Phoenix Valley	James Bell	Phoenix / AZ	(302) 275-7574
<u>AZ</u>	<u>PMI PHX Gateway</u>	<u>Bob Hershey</u>	<u>Gilbert / AZ</u>	<u>(480) 805-5088,</u> <u>(480) 542-8338</u>
<u>AZ</u>	<u>PMI PHX SW</u>	<u>Maui Uhatafe</u>	<u>Phoenix / AZ</u>	<u>(623) 283-1800,</u> <u>(575) 313-0404</u>
AZ	PMI Real Estate Services	Joseph Heckel	Peoria / AZ	(623) 486-5800
<u>AZ</u>	<u>PMI Salt River</u>	<u>Terence Nei</u>	<u>Gilbert / AZ</u>	<u>(602) 962-6683,</u> <u>(602) 830-4551,</u> <u>(905) 901-5012,</u> <u>(416) 892-3733</u>
AZ	PMI San Tan	Eric Deboer	Queen Creek / AZ	(480) 908-2250
<u>AZ</u>	<u>PMI Solis Properties</u>	<u>Marie Willis</u>	<u>Phoenix / AZ</u>	<u>(602) 836-6400</u>
AZ	PMI Tucson	Jim Murphy	Tucson / AZ	(520) 990-5509
AZ	PMI U.S. Southwest	Ann Pettit	Bullhead City / AZ	(928) 234-5555
CA	PMI Alameda	Naomi and Garrett Grebe	Modesto / CA	(209) 900-2224
CA	PMI American River	Justin Frank	Sacramento/ CA	(916) 573-0027
CA	PMI Antelope Valley	Howard Harris	Lancaster / CA	(661) 945-1175
CA	PMI Bay Property MGMT	Robert Liu	San Mateo / CA	(650) 881-4511, <u>(888) 861-8211</u>
CA	PMI Beverly Hills	Kevin Crawford	Palm Springs / CA	(424) 478-9757
CA	PMI Central Valley	Garrett Grebe	Modesto / CA	<u>(209) 900-2224,</u> (253) 948-2327
CA	PMI Coachella Valley	Kevin Crawford	Palm Springs/ CA	(442) 227-2030
CA	PMI Contra Costa	Hosein Pedramfard	Walnut Creek / CA	<u>(925) 238-9227,</u>

				(925) 222-5601
CA	PMI County Line	James <u>(Jim)</u> & Garret Kuiphof	Santa Fe Springs / CA	(562) 955-4022
CA	PMI Del Mar	Jim Carroll	San Diego / CA	(858) 775-5802
CA	PMI East Bay	Jean-Pierre Maeder	San Francisco / CA	(415) 997-3680
CA	PMI Elite	Rene Enriquez	Santa Clarita / CA	<u>(661) 519-7221</u>
CA	PMI First Choice	Marcos Orozco	Irvine / CA	<u>(949) 749-2422</u>
CA	PMI Harbor Beach	Latonya Deloach	Long Beach Orange / CA	(562) 371-1158
CA	PMI Inland Empire	Samson Debebe	Rancho Cucamonga / CA	(909) 527-4440
CA	PMI LA Pacific	Dipti Kapadia	Beverly Hills Cerritos / CA	(323) 679-8520
CA	PMI Los Angeles	Robert Cho	Los Angeles / CA	(213) 500-0510
CA	PMI Merced	Moe Jawad	Merced / CA	(209) 201-5839
CA	PMI Mission Viejo	Kevin Crawford	Palm Springs / CA	(442) 227-2030
CA	PMI Northbay	Tim Shaw	Fairfield / CA	(707) 492-1088
<u>CA</u>	<u>PMI Oakland</u>	<u>Stephen Ajani</u>	<u>Oakland / CA</u>	<u>(510) 255-1103,</u> <u>(510) 545-3710</u>
CA	PMI Orange County	Kevin Wong	Irvine / CA	(949) 438-3232
CA	PMI Patron	Robert Sittman	<u>Cypress</u> Seal Beach / CA	<u>(714) 952-4950,</u> <u>(714) 609-1419</u>
<u>CA</u>	<u>PMI Redwood Realty</u>	<u>Reese Shulman</u>	<u>Redwood / CA</u>	<u>(650) 575-7841,</u> <u>(559) 303-1367</u>
CA	PMI Riverside	Brad Allen	Riverside / CA	(951) 784-4481
<u>CA</u>	<u>PMI SacValley</u>	<u>Richard Garbrick</u>	<u>Sacramento / CA</u>	<u>(530) 633-7770</u>
CA	PMI San Bernardino	Kevin Crawford	Palm Springs / CA	(909) 310-2601
CA	PMI San Diego	Luis Arce	San Diego / CA	(858) 564-0579
CA	PMI San Francisco	Jean-Pierre Maeder	San Francisco / CA	(415) 849-2308
CA	PMI San Jose	Steve Zehring	San Jose / CA	(408) 655-5032
CA	PMI Santa Cruz	Amy Walker	Santa Cruz / CA	(831) 471-7878
CA	PMI SF Peninsula	Vienna Lin	Dale City / CA	<u>(415) 319-4359,</u>
CA	PMI Sonoma <u>CountySmarter Solutions</u>	Ingrid Fleiger <u>Luis</u> <u>Adrian Arce</u>	Santa Rosa <u>Meniffee</u> / CA	<u>(760) 290-4426,</u> <u>(626) 885-</u> <u>3500(707) 820-</u> <u>7848</u>
CA	PMI SouthBay	Naushaba Merchant	Santa Clara / CA	(925) 733-1500, <u>(954) 675-8481</u>
CA	PMI Sunny OC	Shane Barker	Cerritos <u>Huntington</u> <u>Beach</u> / CA	(714) 519-9111, <u>(949) 688-1213</u>
CO	Colorado Casa PMI	Nicole Reinhardt	Colorado Springs / CO	(719) 372-5844
CO	PMI Aspire	Peter Jakel	Aurora <u>Lakewood</u> / CO	(720) 738-8500
CO	PMI Breck	Trace Kaker	Breckenridge / CO	(970) 409-0896
CO	PMI Cedarboldt	Elmo Morales	Denver / CO	(720) 647-4027
CO	PMI Coal Creek	Adriann Rode	Golden / CO	(303) 403-4222
CO	PMI Denver Metro	Ryan Laird	Denver / CO	(303) 745-2220

CO	PMI Denver West	Bob Weigel	Englewood / CO	(303) 927-0404
CO	PMI Elevation	James <u>(Jim)</u> Shonts	Lone Tree / CO	(720) 735-7449
CO	PMI Estes Park	Lowell Richardson	Estes Park / CO	(970) 308-9720
CO	PMI Flatirons Group	Michael Menard	Boulder / CO	(720) 773-7570 x110
CO	PMI Foothills	Ginger & JT Pruitt	Golden / CO	(850) 293-0193
CO	PMI Little Town	Michael Manson	Littleton / CO	(720) 417-5246
CO	PMI Mile High	Ryan Baessler	Westminster / CO	(303) 750-7070
CO	PMI Northern Colorado	Lowell Richardson	Johnstown Estes Park / CO	(970) 308-9720
CO	PMI Parker	James Kitchens	Parker / CO	(720) 933-8889
CO	PMI Pikes Peak	Nicole Reinhardt	Fountain / CO	(719) 372-5844
CO	PMI Steamboat	Danil Sulinov	Steamboat Springs / CO	(970) 819-4508
CO	PMI Summit Colorado	Nicole Guidi	Dillon / CO	(970) 368-3130
CO	PMI Summit Colorado - 2nd Branch	Nicole Guidi	Dillon / CO	(970) 368-3130 x(303) 478-8448
CO	PMI Vail	Linda Martin	Eagle / CO	(970) 306-7886
CO	PMI Winter Park	Mark Gibson	Denver / CO	(720) 975-3402
CT	PMI East Lyme	Jason Archer	East Lyme Niantic / CT	(860) 451-9101
DE	PMI First State	Laurent Walker	Hockessin / DE	(302) 722-5069
FL <u>FL</u>	Marcos Ferrari Jessiea and Ken Britt	Marcos Ferrari Jessiea and Ken Britt	Key Biscayne / FL Florida	(786) 795-0632 , (786) 809-4222 (317) 350-3089
<u>FL</u>	<u>PMI Adventure Coast</u>	<u>Dana Reeves</u>	<u>Spring Hill / FL</u>	(352) 403-2220 , (401) 323-0264
FL	PMI Ancient City	Ricardo Rosado	Saint Augustine / FL	(904) 540-9968
FL	PMI Arrico Realty and Property Management	Paul Arrington	Brandon / FL	(813) 662-9363
FL	PMI Beach Properties	Maximilian Stalinski	Boynton Beach / FL	(424) 645-4673
FL	PMI Best Assets	Jesus Suarez	Davie / FL	(954) 368-5398
FL	PMI Biscayne Bay	Gilberto <u>Rodriguez</u> Sacramento	North Miami - <u>Aventura</u> / FL	(305) 204-2861, (305) 397-4456
FL	PMI Brevard	Robert Pharoah	Indian Harbour Beach / FL	(321) 866-1717
FL	PMI Broward Sunrise	Frank Zangara and Anna Maria Fattore	Sunrise - <u>Fort Lauderdale</u> / FL	(754) 755-1965, (416) 617-4117
FL	PMI C-Shell	Will Clause	Gulf Breeze / FL	(850) 760-0813, (850) 418-6862
FL	PMI Central Florida	David Pierce	Deland <u>Winter Park</u> / FL	(407) 913-5805
FL	PMI Clearwater	Julia Masiero Martinez	Largo / FL	(727) 601-0961
FL	PMI Coastal Broward	Allen Goff Sr, Allen Goff Jr, Athena and James Peavy	Fort Lauderdale / FL	(954) 546-4488

<u>FL</u>	<u>PMI Cozy Homes</u>	<u>Alexander & Romina Weirather</u>	<u>Cape Coral / FL</u>	<u>(239) 344-8886</u>
FL	PMI Daytona Flagler	Joe Markiewicz	Palm Coast / FL	<u>(386) 225-4943,</u> <u>(386) 227-6165</u>
FL	PMI Davis Realty	Wendell Davis	Fleming Island / FL	(904) 237-8238
FL	PMI Destin- <u>30A</u>	Mitch Newton	Niceville / FL	(850) 803-3301
<u>FL</u>	<u>PMI Elite Properties</u>	<u>Steven White</u>	<u>Apollo Beach / FL</u>	<u>(813) 518-5444,</u> <u>(813) 451-2982</u>
FL	PMI Emerald Coast	Nicole Reinhardt	Panama City / FL	<u>(850) 588-4336,</u> <u>(850) 851-0023</u>
<u>FL</u>	<u>PMI Estero Bay</u>	<u>Mila Budzinsky</u>	<u>Toronto / Ontario</u>	<u>(941) 374-2263,</u> <u>(416) 628-9222</u>
<u>FL</u>	<u>PMI Fort Lauderdale</u>	<u>Jacy Whittaker</u>	<u>Fort Lauderdale / FL</u>	<u>(954) 399-6922,</u> <u>(954) 667-9988</u>
FL	PMI Gulf Coast	David Garafola	Naples / FL	(214) 957-7854
<u>FL</u>	<u>PMI Gulf Horizons</u>	<u>Christopher Hernandez</u>	<u>Pensacola / FL</u>	<u>(646) 915-7309,</u> <u>(850) 565-3555</u>
FL	PMI Gulf Property Solutions (formerly PMI SWFL)	D Peschio, J Brenneman, J Atha, M Jones, N Reinhardt, S Cornell	<u>Fort MyersPunta Gorda</u> / FL	(863) 899-4082
<u>FL</u>	<u>PMI Heartland Realty (formerly PMI Stingray Homes)</u>	<u>Shannon Cornell</u>	<u>Punta Gorda / FL</u>	<u>(239) 944-7368</u>
FL	PMI Hillsborough	Tony Hernandez	Brandon / FL	(813) 940-7676
FL	PMI Infinity	Alton Glenn	Ocoee / FL	<u>(407) 554-5655,</u> <u>(407) 756-0907</u>
FL	PMI JCM Realty Group	Roland Charles	Temple Terrace / FL	(347) 699-6572
FL	PMI Jacksonville	Philip Ashby	Jacksonville / FL	(904) 568-1636
FL	PMI Matching Property	Noura Maouchi	Fort Lauderdale / FL	(305) 930-5737
<u>FL</u>	<u>PMI Main Street MGMT</u>	<u>Christian Trani</u>	<u>Orlando / FL</u>	<u>(321) 430-4500,</u> <u>(407) 429-8231</u>
FL	PMI Magic City	Wayne and Goretti Moniz	Miami / FL	(305) 619-4538
<u>FL</u>	<u>PMI Manatee</u>	<u>Joy Daniels</u>	<u>Bradenton / FL</u>	<u>(941) 702-2600,</u> <u>(813) 535-0885</u>
<u>FL</u>	<u>PMI Metro Lakes</u>	<u>Charles Bantos</u>	<u>Orlando / FL</u>	<u>(407) 289-0010</u>
FL	PMI MetroBay	Alexandra Hernandez	Tampa / FL	<u>(850) 491-3601</u>
<u>FL</u>	<u>PMI Miami Lakes</u>	<u>Jesse Rodriguez</u>	<u>Miami Lakes / FL</u>	<u>(305) 720-2001,</u> <u>(786) 504-5800</u>
<u>FL</u>	<u>PMI Noble</u>	<u>Andrew Clower</u>	<u>Wesley Chapel</u>	<u>(813) 270-8997</u>
FL	PMI Orlando	Jose <u>Paulo</u> Lucic	Celebration / FL	(407) 968-9497
FL	PMI Orlando Parks	Andres Torres	Orlando / FL	(689) 250-2572
FL	PMI Orlando MyPlace (formerly fla PMI Urban Skyline)	Ayman Guirguis	Orlando / FL	<u>(321) 324-9007,</u> <u>(407) 720-7754,</u> <u>(647) 779-5517</u>
FL	PMI Palms	Christine & Fred Vielhauer	Tarpon Springs / FL	(727) 362-6826

FL	PMI Pasco lm -Valley	Masud Aleem Steve Carr	Land O LakesJacksonville / FL	(727) 602-8192, (813) 586-2224 (904) 730-1500
FL	PMI Pinellas	Yosvani Ledo	Trinity / FL	(786) 223-6998
FL	PMI Platinum FL	Manpreet & Punnam Kang, Saminderjit Gill	Winter Garden / FL	(407) 499-3725, (689) 240-6200
FL	PMI Premium Services	Fernando David	Plantation / FL	(954) 931-1484
FL	PMI Prime Home	Wei Han	ClermontOrlando / FL	(407) 988-5057
FL	PMI Property Alliance	Dean Nikolic	Windermere / FL	(407) 377-8668
FL	PMI Property Solutions	David Pierce	DeLandWinter Park / FL	(407) 913-5805
<u>FL</u>	<u>PMI River City</u>	<u>Oliver Langley</u>	<u>Jacksonville / FL</u>	<u>(904) 721-7822,</u> <u>(904) 945-9423</u>
FL	PMI Sarasota	Steven LoParco	Sarasota / FL	(203) 249-9389
FL	PMI South Florida	Monica Ciccarelli	Coral Springs / FL	(786) 241-9003
FL	PMI South Tampa	Sunny Alexander	Tampa / FL	(813) 537-1106, (813) 515-0200
FL	PMI Space Coast	Cody Atchison	Melbourne / FL	(321) 209-5443
FL	PMI Sunshine State	Boris Darchy	Miami Beach / FL	(786) 440-6157
FL	PMI Tampa	Nicole Reinhardt	Tampa / FL	(719) 640- 5858(813) 565- 7340
FL	PMI Tampa Bay	Dan Spencer	Spring Hill / FL	(352) 585-7860
FL	PMI Top Florida Properties - Miami	Fabio Setton	Miami / FL	(305) 900-5077
FL	PMI Top Florida Properties - Palm Beach	Fabio Setton	Miami / FL	(305) 830-9981
FL	PMI Top TreeDo	Fabio Setton <u>Ades</u>	Miami / FL	(954) 953-9333
FL	PMI Trust	Danielle & Erwin Isokaitis	Orlando / FL	(321) 754-0373
FL	PMI Zaboka	Christian Aanensen	Royal Palm Beach / FL	(561) 679-7769, (868) 681-9300
<u>FL</u>	<u>PMI Capstone</u>	<u>Kenith C. Britt</u>	<u>Sarasota / FL</u>	<u>K (317) 350-</u> <u>3089, J (317)</u> <u>619-6020</u>
<u>FL</u>	<u>PMI Southwest Florida</u>	<u>Mary Jo LoParco</u>	<u>Port Charlotte / FL</u>	<u>Steve (203) 249-</u> <u>9389, Mary</u> <u>(203) 219-0333</u>
GA	PMI 23 East	Amanda Little, Joseph Reese	Hoschton / GA	(470) 482-0024, (678) 227-0040, (678) 800-3600
GA	PMI Atlanta City	Sukhpreet Kaur Mann	Alpharetta / GA	(470) 907-2333, (647) 528-5200
GA	PMI Atlanta OTP	Michael Ellis Hayes	Atlanta / GA	(470) 571-0600
GA	PMI Atlanta West	Mel Whatley	Smyrna / GA	(239) 372-3702
GA	PMI Coastal GA	Allan Garcia	Pooler / GA	(912) 988-8004
GA	PMI Cornerstone	Carey Jones	Kennesaw / GA	(407) 716-9990

GA	PMI Georgia	Donna & Chris Littleton	Tyrone / GA	(678) 782-1004
GA	PMI Mountain Gateway	Michael Honiker	Cleveland / GA	(706) 309-0206
GA	PMI North Atlanta	David Kane	Cumming / GA	(678) 820-8764
GA	PMI Northeast Atlanta	Kent Grothe	Suwanee <u>Lawrenceville</u> / GA	(470) 238-9150
GA	PMI North GA Mountains	Bryan Avery	Mineral Bluff / GA	(706) 514-2122
GA	PMI Oconee	Ken Colson	Greensboro / GA	(706) 481-8491
GA	PMI Peachstate	Mendez Hollis	McDonough / GA	(770) 284-8330
GA	PMI Perimeter	Bill Ireland	Sandy Springs / GA	(404) 447-6349
GA	PMI Reliance	Daniel Zisoff	Lawrenceville <u>Suwanee</u> / GA	(678) 541-9990
GA	PMI Roswell	Keita (KJ) Hutton	Roswell / GA	(770) 884-4700
GA	PMI Savannah Metro	Tyler Lott	Savannah / GA	(912) 680-2225, (208) 650-0758
GA	PMI South Atlanta	Rafet Aviles	Fayetteville / GA	(678) 929-7307
GA	PMI Terminus	Diego Bedon	Smyrna / GA	(770) 618-9225
HI	PMI Maui	Matt Tarasenko	Kihei / HI	(808) 269-8960
IA	PMI Central Iowa	Chris Fisher	Urbandale / IA	(515) 782-4833
IA	PMI of the Midlands	Bill Wilson	Council Bluffs / IA	(712) 828-0187
ID	PMI Coeur d Alene	Ron Hand	Post Falls / ID	(509) 638-5690
ID	PMI Grand Tetons	Eddye Bean	Driggs / ID	(208) 354-2460
ID	PMI of Boise	Parker Singleton	Boise / ID	(208) 906-0301
<u>ID</u>	<u>PMI of Tree City</u>	<u>Kannon Callis</u>	<u>Nampa / ID</u>	<u>(208) 505-1001</u>
ID	PMI Treasure Valley	Paul Justice	Meridian / ID	(208) 863-3742
IL	PMI Chicago Metroplex	Sammie Van Cleave	Hoffman Estates / IL	(224) 805-2042
IL	PMI Chicago Suburbs	Dante Fiocca	Elmhurst / IL	(630) 478-0808
IL	PMI Chi-Town	Pathik Parikh	Schaumburg / IL	(312) 934-7882
<u>IL</u>	<u>PMI Cook County</u>	<u>Odell Davis</u>	<u>Chicago / IL</u>	<u>(779) 222-6044,</u> <u>(773) 966-6120</u>
IL	PMI Metro and Suburban	Chinedu Ibe	Des Plaines / IL	(847) 305-2559
<u>IL</u>	<u>PMI NVP Estates</u>	<u>Neil and Monali Patel</u>	<u>Hawthorn Woods / IL</u>	<u>(224) 677-3600</u>
<u>IL</u>	<u>PMI Service Group</u>	<u>Keith Jablonowski</u>	<u>Downers Grove / IL</u>	<u>(630) 791-7049,</u> <u>(630) 576-0225,</u> <u>(847) 489-5079</u>
<u>IL</u>	<u>PMI Smoky Mountains</u>	<u>Teresa Peplow</u>	<u>East Peoria / IL</u>	<u>(309) 264-7627</u>
IL	PMI West Suburban	Dan Lucking <u>Jerry Moody</u>	Naperville / IL	(630) 536-7682
IL	PMI Windy City	Dante Fiocca	Chicago / IL	(847) 528-6391
IN	PMI Fort Wayne	Joe Atha	Fort Wayne / IN	(317) 572-7036
<u>IN</u>	<u>PMI Grand Visions</u>	<u>Joseph W. Atha</u>	<u>Noblesville / IN</u>	<u>(317) 572-7036</u>
IN	PMI Indianapolis	Joe Atha	Noblesville / IN	(317) 572-7036
IN	PMI Lafayette	Wendy Yuill	Lafayette / IN	(765) 566-7400
IN	PMI Meridian Management	Kenith Britt	Indianapolis / IN	(317) 350-3089

IN	PMI Michiana	Stephanie & Steven Larimore	South Bend / IN	(206) 619-1996
IN	PMI Midwest	Mark Jones	Indianapolis / IN	(317) 546-3482
IN	PMI NWI	Brad Mistina	Merrillville / IN	(219) 318-1244
KS	PMI Advisory Group	Paul Houser	Topeka / KS	(785) 845-5197
<u>KS</u>	<u>PMI Air Capital</u>	<u>Jaclyn Lemaster</u>	<u>Wichita / KS</u>	<u>(316) 500-7444,</u> <u>(316) 871-0665</u>
KS	PMI Destination Properties	JD Asbell	Overland Park / KS	(913) 583-1515
KS	PMI Station	Farhad Mohazabrad	Gardner / KS	(913) 884-1720
KS	PMI Wichita	Matt Brandt	Wichita / KS	(316) 416-5975
KY	PMI Louisville	Richard Todd Bingham	Louisville / KY	<u>(502) 414-3260,</u> (859) 509-7283
LA	PMI Integrity Properties - Baton Rouge	Zed LaCour	Baton Rouge / LA	(225) 306-3174
LA	PMI Integrity Properties - Lafayette Parish	Zed LaCour	Lafayette / LA	(337) 476-1176
LA	PMI Integrity Properties - New Orleans	Zed LaCour	Mandeville / LA	(337) 258-1569
LA	PMI New Orleans	Terry Jackson	New Orleans / LA	(504) 507-1701
MA	PMI Bay State	Russell Rivin	Franklin Needham / MA	(617) 564-0802
MA	PMI of Greater Boston	Juan Carlos Martinez	Woburn / MA	<u>(617) 608-8710,</u> (617) 447-6575
MA	PMI SK Properties	Sheriff Showunmi	Dracut / MA	(978) 836-3044
MA	PMI Worcester	Mark Ceppi	Shrewsbury Worcester / MA	(774) 243-7951
MD	PMI Annapolis	Danielle and Krishon Allen	Arnold / MD	(443) 782-3999
MD	PMI Baltimore	Michael Daniel	Baltimore Ellicott City / MD	<u>(410) 793-4345,</u> (410) 988-2226
<u>MD</u>	<u>PMI Bmore Metro</u>	<u>Terance Barkus</u>	<u>Owings Mills / MD</u>	<u>(443) 267-6365,</u> <u>(443) 264-4443,</u> <u>(408) 896-1079</u>
MD	PMI Capital Region	Julianne Whaylen (formerly St. Cyr)	Bethesda / MD	(240) 600-0985
MD	PMI Chevy Chase	Nicholas Lazarchick	Rockville / MD	(301) 943-4369
MD	PMI DC Metro	Alexander McColough	Montgomery / MD	(202) 742-9797
MD	PMI EXPerience	Stephanie Cruz Cora and David Marchand	Accokeek / MD	(301) 747-2000
MD	PMI Maryland Solutions	Tracy McAbee	Rockville / MD	(410) 873-0077
MD	PMI Mason Dixon	Jeff & Beth Gover	Clarksville / MD	(443) 884-5757
<u>MD</u>	<u>PMI Milestone</u>	<u>Ernest Benjamin</u>	<u>Germantown / MD</u>	<u>(240) 835-0495,</u> <u>(240) 205-7177,</u> <u>(301) 337-8442</u>
<u>MD</u>	<u>PMI National Harbor</u>	<u>Aurelia Spencer</u>	<u>Oxon Hill / MD</u>	<u>(301) 686-7900</u>
MD	PMI Old Line	Jason Novak	Ellicott City / MD	(667) 686-8555
MD	PMI PG County	Kelli and Jack Pinney	College University Park / MD	(301) 851-6996

MD	PMI Potomac	Matthew Mangan	North Bethesda Rockville / MD	(240) 728-7300
MD	PMI Real Asset SEET Mgmt GMT	Tiana and Joel Medley	Ellicott City / MD	(443) 367-9680, (410) 403-0225, (410) 846-7221
MD	PMI Village Alliance	Ramona Williams	Jessup / MD	(410) 982-7125
ME	PMI Vacationland	Thomas Boardman	Casco / ME	(207) 803-0008
MI	PMI Great Lakes	Robbin Hopkins	East Bloomfield Hills / MI	(248) 778-5355
MI	PMI Mid Michigan	Mike Kennedy	Flint / MI	(810) 962-3866, (810) 397-3254
MI	PMI West Michigan	Mike Komejan	Grand Rapids / MI	(616) 227-0729
MN	PMI Lakeshore	Brad Nelson	Duluth / MN	(218) 464-6700
MN	PMI Minneapolis St. Paul	Tom Eddie	Edina / MN	(612) 895-2700
MN	PMI Minnesota	Chris Ashmore	Brainerd / MN	(218) 270-3900
MO	PMI Fountain City	Matt Van Boening	Kansas City / MO	(816) 762-2228, (913) 202-0976
MO	PMI KC Metro	Dan Hilgedick	Blue Springs Lee's Summit / MO	(816) 359-0330
MO	PMI Lake of The Ozarks	Regan Trittler	Osage Beach / MO	(314) 359-1877
MO	PMI STL Metro	William Schmitt and Zachary Schmitt	Chesterfield / MO	(314) 246-0002, (636) 735-3450
MS	PMI Biloxi	JJ Harris	Biloxi / MS	(228) 338-3251, (228) 596-8821, (228) 396-9700
MT	PMI Realty Management NW	Tom Draney	Kalispell / MT	(406) 426-1916
NC	PMI All American	Thomas Selby Jr	Raeford Fayetteville / NC	(910) 248-4200, (850) 637-3966
NC	PMI Amazing Spaces	David Thompson	Charlotte / NC	(980) 785-4434
NC	PMI Blue Ridge	Richard and Corey Prince	Flat Rock / NC	(910) 352-4005
NC	PMI Capital City RTP	Tony Skeeter	Raleigh-Durham / NC	(984) 255-1883
NC	PMI Charlotte	Clarkston Hines	Huntersville / NC	(704) 457-9492
NC	PMI Charlotte Metro	Chad Smart	Charlotte / NC	(704) 322-4815, (704) 970-0090, (839) 400-2242
NC	PMI Marathon CLT	Vietoria Mauro Buruk Adhanom	High Point / NC Charlotte / NC	(336) 525-0050 (704) 420-8688
NC	PMI Mecklenburg	Kiran Ravadi	Charlotte / NC	(704) 606-1250
NC	PMI Mountain and Main	Katherine Van Brocklin	Asheville / NC	(828) 658-5558, (954) 270-0483
NC	PMI of the Triad	Johanna Kelley	Winston Salem / NC	(336) 701-0387
NC	PMI Piedmont	Ken Colson	Wilmington / NC	(336) 525-0550

NC	PMI Queen City	Kevin Clark	<u>Greenville</u> / NC	(704) 800-6432, <u>(610) 301-1055,</u> <u>(864) 326-0018</u>
NC	PMI Triangle	Qasim Mumtaz	Raleigh / NC	(252) 419-6016
NC	PMI Wilmington	<u>Kenneth (Ken)</u> <u>Colson</u> Brad Moody	<u>Flat Rock</u> Carolina <u>Beach</u> / NC	<u>(706) 461-3374,</u> <u>(910) 352-</u> <u>4005(910) 408-</u> <u>2185</u>
NH	PMI Granite State	Bryant Feeney	Hollis / NH	(603) 821-9468
NH	PMI Green Rock	Humberto Andrade	Hampton / NH	(603) 601-7328
NJ	PMI Central New Jersey	Carlos Ventura	Lawrence Township / NJ	(609) 227-8940
NJ	PMI Garden State	Andrew Randolph	Mt. Laurel / NJ	(856) 500-1973
NJ	PMI Essential	Jonathan Lamond	Ewing / NJ	<u>(609) 310-3033</u> (609) 947-0769
<u>NJ</u>	<u>PMI Inspired</u>	<u>Devin Luna</u>	<u>Holmdel</u> / NJ	<u>(732) 484-4116,</u> <u>(732) 285-9191,</u> <u>(732) 895-9269</u>
NJ	PMI North Jersey	Jemere Smith	Teaneck / NJ	(201) 201-0180
NJ	PMI Prime Property	Kevin Fletcher	Morristown / NJ	(973) 658-7500
NJ	PMI Property Service	Michael <u>(Mike)</u> Gallo	Manasquan / NJ	(732) 226-5555, <u>(732) 592-8228,</u> <u>(609) 230-1880</u>
NJ	PMI Saltwater	Brian and Mara Taffe	Stone Harbor / NJ	(484) 443-3015
NJ	PMI SoJay Property Management	Kathy Mulholland	Swedesboro / NJ	(856) 686-5900
NJ	PMI Turn Key NJ	Nicholas Schiera	Princeton Junction / NJ	(609) 913-3028
NM	PMI 4U	Tom Dickerson	Albuquerque / NM	(505) 448-3600
NM	PMI Santa Fe	Brad Furry	Santa Fe / NM	(505) 663-7779
NV	PMI Clark County	Phil Cadolino	Las Vegas / NV	(704) 516-3844
NV	PMI Diversified Properties	Brandy & Jeff Wright	Reno / NV	(775) 825-7734
NV	PMI Henderson	Donna Brown	Henderson / NV	(702) 330-5033
NV	PMI Reno	Robert Hughes	Reno / NV	(775) 393-9603
NV	PMI Urban Living	Valerie Humphrey	Las Vegas / NV	<u>(702) 949-7778,</u> <u>(702) 636-8369</u>
NV	PMI Vegas Properties	Thomas Williams	Las Vegas / NV	<u>(702) 600-5565,</u> (702) 620-6800
NY	PMI Albany	Jon Holland	East Greenbush / NY	(518) 618-6872
NY	PMI Capital District	Jon Holland	East Greenbush / NY	(518) 618-6872
NY	PMI Eastern Long Island	Greg Rishe	Southhold / NY	(631) 765-5112
NY	PMI Empire Solutions	Joseph Difilippi	Wantagh / NY	(347) 623-0107
NY	PMI Gold Coast Properties	Dawn & John Depasquale	Saint James / NY	(631) 621-2150
NY	PMI Gold Coast Properties (Expansion)	John and Dawn & <u>John</u> DePasquale	Saint James / NY	(631) 621-2150
NY	PMI Hudson	Robert Oramas	Pearl River / NY	(917) 816-4544

NY	PMI Lighthouse	Paul Landman	Melville / NY	(934) 500-7020
NY	PMI Manhattan Group	Angela Lau	New York / NY	(917) 737-1200
NY	PMI New York City	Faiz Ahmed	New York / NY	(212) 739-0780
NY	PMI Paramount	Demetrios Kadenas	Astoria / NY	(718) 957-0775, (917) 856-9059
NY	PMI Properties	Andres Rabinovich	New City / NY	(845) 397-7766
OH	PMI Buckeye Services	Donnie Ingram	Mason Lebanon / OH	(513) 850-2559
OH	PMI CLE	Jeffrey Hinderschied	Chardon / OH	(440) 332-7667
OH	PMI Columbus	Rochelle & Bryan Smith	Blacklick / OH	(614) 413-7640
OH	PMI Cuyahoga Valley RAL	Jake Lippiatt	Cuyahoga Falls / OH	(234) 888-3200, (234) 800-3200
OH	PMI Gatekeeper Realty Services	Jeffrey Post	Cincinnati / OH	(513) 260-8909
OH	PMI Oakridge Management	Wes Moore	Fort Loramie / OH	(937) 901-4939
<u>OH</u>	<u>PMI Realty Group</u>	<u>Sherri Doumbia</u>	<u>Richmond Heights / OH</u>	(440) 681-2550 , (216) 299-8203
OH	PMI Scioto Metro	Adrian Birchler	Columbus / OH	(614) 285-5629
<u>OH</u>	<u>PMI MVP</u>	<u>Joseph W. Atha</u>	<u>Columbus / OH</u>	(317) 572-7036
OK	PMI Green Country	Shawn Klahr	Broken Arrow / OK	(918) 940-8811
OK	PMI OKCity Local	Rusty Barber	Jones / OK	(405) 546-1200
OR	PMI Bridgetown	Todd Schectman	Lake Oswego Portland / OR	(503) 765-6505
OR	PMI Central Oregon	Oliver Stretz	Redmond Bend / OR	(541) 728-3033
<u>OR</u>	<u>PMI Stumptown</u>	<u>Tim Clouse</u>	<u>Mulino / OR</u>	(503) 447-4224 , (503) 330-4254
PA	Key PA Property Management	Anthony & Kimberly Georgette	Cochranville / PA	(302) 753-7777
PA	Property Management International Greater Philadelphia	Melissa Simmons	Philadelphia / PA	(215) 995-3093
PA	The Burgh Property Management	Phil Hobbs	McMurray / PA	(724) 260-0189
<u>PR</u>	<u>PMI Central PR</u>	<u>Rafael Perez</u>	<u>Humacao / Puerto Rico</u>	(787) 675-3249
<u>PR</u>	PMI Puerto Rico	Miguel Hernandez	Guaynabo / Puerto Rico Rico	(787) 291-0086
RI	PMI Rhode Island	Ed August	Middletown / RI	(401) 234-1090
SC	PMI Lowcountry	Aaron Lemke	Mount Pleasant / SC	(843) 800-2329
SC	PMI Palmetto	Sharon Chapman	West Columbia Chapin / SC	(803) 830-4287
SC	PMI Sea Island	Dayna Akers	Beaufort / SC	(843) 310-4482
SC	PMI Soda City	Brad Swensen	Columbia / SC	(803) 728-2999
SC	PMI Southern States	Víctor Sanchez	Simpsonville / SC	(864) 688-9281 , (864) 884-4640
SC	PMI Upstate SC	Taylor Fleisher	Greenville / SC	(864) 326-00186
TN	PMI Bluff City	Darrell Harden	Cordova / TN	(901) 538-7400

TN	PMI Chattanooga	Andrea Moffett	Chattanooga / TN	(423) 715-8538
TN	PMI Clarksville	Larry Krieg	Clarksville / TN	(931) 919-2460
TN	PMI Eagles (formerly Fort Campbell)	Keith Morgan	Clarksville / TN	(931) 378-8500
TN	PMI GOLDfeather	John McVoy	Nashville / TN	(615) 300-5326
TN	PMI Greater Nashville	Paul Bullington & Glen McLain	Nashville / TN	(615) 492-4663, (615) 840-3675
TN	PMI Greater Dickson Don	Paul Bullington & Glen McLain	Dickson / TN	(615) 492-4663
TN	PMI Knoxville	Leslie Schuller	Knoxville / TN	(865) 607-5458
TN	PMI Middle TN	Todd Randolph	Goodlettsville / TN	(615) 830-9738
TN	PMI Music City	Lori Wood	Nashville / TN	(615) 424-5159
TN	PMI of Memphis	Scott Abernathy	Memphis Cordova / TN	(615) 330-2615
TN	PMI Professionals	Scott Abernathy	Murfreesboro / TN	(615) 867-8282
TN	PMI Scenic City	Ian Pfeiffer	Chattanooga / TN	(423) 680-6421, (423) 847-2080
TN	PMI Whiskey Trail	Jon and Glenda Harris	College Grove / TN	(615) 619-6050
TX	PMI Alliance	Christian Smith	Flower Mound / TX	(214) 995-8090
TX	PMI ATX Properties	Greg Gunwall	Austin / TX	(512) 651-4255, (512) 582-2232, (512) 965-9832
TX	PMI Austin	Dan Kennedy	Austin / TX	(512) 585-6097
TX	PMI Austin Experts	Anna Sanchez & Katrina Pruitt	Lakeway / TX	(512) 751-571- 2323
TX	PMI Austin Metro	Brian Koster, Brett Koster, & Alex Koster	Lakeway / TX	(860) 515-7131
TX	PMI Bayou City	Ryan Trostad	Houston Jersey Village / TX	(301) 851-6996
TX	PMI Bear Creek	Marvia A. King	Houston / TX	(713) 832-9722, (832) 620-1592
TX	PMI Big Tex	Marco Burbano	Dallas / TX	(214) 523-9011
TX	PMI Birdy Properties	Brian Birdy	San Antonio / TX	(210) 524-9400
TX	PMI Bluebonnet Realty	Steven Poer	Blanco Spring Branch / TX	(405) 312-2028
TX	PMI BrightStar	Esther Holder-Rahman	Converse / TX	(210) 209-8187, (210) 294-9994, (210) 725-3794
TX	PMI Corpus Christi	Jason Wendt	Corpus Christi / TX	(361) 793-4980
TX	PMI Cowboys Realty	Sridhar Ravilla	Coppell / TX	(469) 381-1515 (925) 548-3769
TX	PMI Cross Timbers	Craig Smith & John Mouser	Lewisville / TX	(682) 610-3773, (469) 667-6883, (940) 368-9011
TX	PMI DFW Properties	Jeff Ringnald	Dallas / TX	(214) 427-5050
TX	PMI El Paso	Laura Alshouse & Kiki Alshouse	El Paso / TX	(915) 613-5008

TX	PMI Fine Properties	Troy Fine	Missouri City / TX	(218) 343-3225, (218) 243-3225, (281) 697-8686
TX	PMI First SA Properties	Chih Chiao (Joe) Wang	San Antonio / TX	(210) 996-5171
TX	PMI Fort Bend	Josh Friday	Richmond / TX	(815) 494-8069
TX	PMI Frisco	David Uwakwe	Plano / TX	(214) 574-9154, (972) 829-0110
TX	PMI Galveston Bay	Michael Truman II	League City / TX	(409) 800-6500
TX	PMI Heart of Texas	David Trevino	Austin / TX	(512) 593-1631
TX	PMI Infinito	Ricardo Araujo	Missouri City / TX	(972) 800-9356
TX	PMI Metroplex Properties	Brian Schoolcraft	Bedford / TX	(817) 952-9009
TX	PMI Navigate	Jill Sallis	San Antonio / TX	(210) 845-5842
TX	PMI Nortex Properties	Scott Ehrenberger	McKinney / TX	(945) 234-0700
TX	PMI North Dallas	Oscar Pedrajo	Mckinney / TX	(469) 734-5366
TX	PMI North Texas	Katie Bedford	Frisco / TX	(469) 656-8400
TX	PMI Northwest Houston	Rehan and Ahsan Ansari	Katy / TX	(281) 907-8190
TX	PMI of the Woodlands	Sean Leidelmeyer	Magnolia / TX	(281) 259-9428
TX	PMI Phantom Realty	Monica Graves	Killeen / TX	(512) 953-2887, (254) 449-9996
TX	PMI Premier	Robert Clark	Southlake / TX	(817) 796-6420
TX	PMI Prestige	Alphard Orot	Katy / TX	(281) 839-5542
TX	PMI Profit Realty	Sam Maropis	San Antonio / TX	(210) 213-3655
TX	PMI Republic	Rebecca Solis	Wimberley Irving / TX	(512) 842-9012, (972) 957-7800
TX	PMI RGV	Gustavo Terrones	McAllen / TX	(956) 790-0011
TX	PMI San Antonio	Keith Stone	San Antonio / TX	(210) 802-4858
TX	PMI Space City	John Salas	Rosenburg / TX	(713) 568-2444, (713) 882-2374
TX	PMI Tyler	Craig Meunier	Tyler / TX	(903) 515-8400
TX	PMI United	Mark Fleitman	Denton / TX	(940) 231-0587
TX	PMI Values Your Casa	Gabriel Christain	Cypress / TX	(832) 305-5611, (303) 848-9545, (719) 314-5680
UT	PMI Home Team	Brady and Kailia Humphries	Layton / UT	(385) 424-0020
UT	PMI Intermountain Solutions Group	Jason Moyes	West Haven / UT	(801) 759- 5450689-2846
UT	PMI Made Simple	Dan Walker	Orem / UT	(208) 841-3405
UT	PMI Mountain Collection	Linda Hoffman	Park City / UT	(435) 731-4600
UT	PMI Mountain West	Steven Anderson	Bountiful / UT	(385) 402-6250, (801) 631-2634
UT	PMI Northern Utah	Daniel Miles	Hooper / UT	(801) 821-0095
UT	PMI Park City	Belinda & Bradley (Barry) Jensen	Park City / UT	(385) 225-5037, (800) 295-0668

UT	PMI Reliant	Dale & Kandi Lee	Orem / UT	(801) 960-4884
<u>UT</u>	<u>PMI Salt Lake</u>	<u>Ryan Bickmore</u>	<u>South Jordan / UT</u>	<u>(801) 652-0424</u>
UT	PMI St. George	Leann Walters	St. George / UT	<u>(435) 619-3619,</u> <u>(435) 288-2225</u>
UT	PMI Summit	Andres Diaz	Cedar Hills / UT	(801) 898-7101
UT	PMI Wasatch Front LC	Dan Berry	Midvale <u>urray</u> / UT	(801) 518-4127
<u>VA</u>	<u>PMI Arlington</u>	<u>Kelly Butcher</u>	<u>Arlington / VA</u>	<u>(703) 405-7617,</u> <u>(703) 879-2335</u>
VA	PMI Commonwealth - Charlottesville	Michael Johnson	Charlottesville / VA	(434) 326-4786
VA	PMI Commonwealth - Roanoke River Valley	Michael Johnson	Charlottesville <u>Blacksburg</u> / VA	<u>(434) 270-5586,</u> <u>(434) 326-4786</u>
<u>VA</u>	<u>PMI Glen Allen</u>	<u>Wehrner Pienaar</u>	<u>Glen Allen / VA</u>	<u>(804) 653-7106,</u> <u>(804) 215-4422,</u> <u>(804) 502-1103</u>
<u>VA</u>	<u>PMI James River</u>	<u>John William Wilson</u>	<u>Richmond / VA</u>	<u>(804) 916-5153</u>
VA	PMI Loudoun	Anup Kumar	Ashburn / VA	(703) 717-8509
VA	PMI Lynchburg	Josh Gilmore	Lynchburg / VA	(434) 933-5300
VA	PMI of Fairfax	John Malatesta	Reston / VA	(703) 939-7523
VA	PMI Presidential	Montellace Greene	Moseley <u>Richmond</u> / VA	<u>(804) 613-3633,</u> <u>(804) 946-9990,</u> <u>(703) 864-9034</u>
VA	PMI Prince William	David Peschio	Woodbridge / VA	(804) 256-2932
VA	PMI Richmond	Dave Peschio	Glen Allen / VA	(804) 909-1929
<u>VA</u>	<u>PMI S. Hampton Roads</u>	<u>Thomas Veihdeffer</u>	<u>Virginia Beach / VA</u>	<u>(757) 957-4923,</u> <u>(757) 213-6969</u>
VA	PMI Smart Choice	<u>Ashraf (Sam) Nassar</u>	Clifton / VA	<u>(703) 930-3333,</u> <u>(703) 826-0880</u>
VA	PMI Virginia	Patti & Troy Robertson	Virginia Beach / VA	<u>(757) 466-8378,</u> <u>(757) 752-9091,</u> <u>(757) 466-8378</u>
WA	PMI Arka	Aditya Mehta	Issaquah / WA	<u>(425) 494-5500,</u> <u>(425) 504-0774</u>
WA	PMI Brewder Realty	Brent Brewder	Mill Creek / WA	(425) 585-0213
WA	PMI Cascade	Jeff Cridlebaugh	Tacoma <u>Lakewood</u> / WA	(253) 356-0330
WA	PMI Equitas	David Bennett	Bothell / WA	<u>(425) 512-0050</u> <u>(206) 954-7037</u>
WA	PMI Puget Sound	Alex Othon	Maple Valley / WA	(206) 271-7253
WA	PMI South Sound	Benjamin Haviland	Tacoma / WA	(253) 342-7222
WI	PMI Fox Valley	Pat McVey	Neenah / WI	(920) 284-3328
WI	PMI Green Bay	Pat McVey	Appleton <u>Neenah</u> / WI	(920) 284-3328
<u>WI</u>	<u>PMI Northwoods</u>	<u>Todd Hartman</u>	<u>Mauston / WI</u>	<u>(608) 656-5030,</u> <u>(708) 556-0033,</u> <u>(303) 882-6232</u>
WI	PMI of Greater Milwaukee	Mike Baron	New Berlin / WI	(414) 433-9107
WI	PMI of Lake Country	Mike Baron	Milwaukee / WI	(414) 433-9107

<u>WI</u>	<u>PMI Property Pros</u>	<u>Tong Vang</u>	<u>Milwaukee / WI</u>	<u>(414) 530-1539</u>
<u>WY</u>	<u>PMI YellowstoneProperty Pros</u>	<u>Tong VangTiff & Tim Goeke</u>	<u>Milwaukee / WIPowell / WY</u>	<u>(414) 530- 1539(307) 920- 3844, (720) 491- 2615</u>

FRANCHISEES THAT HAVE SIGNED BUT NOT OPENED

State	Business Name	Contact First Name	City	Phone Number
AR	PMI NWA Metro	Frank Wood	Centerton / AR	(479) 402-1030
<u>CA</u>	<u>Harpreet Dhillon</u>	<u>Harpreet Dhillon</u>	<u>Clovis / CA</u>	<u>(403) 993-9231</u>
CA	Phillip Wang	Phillip Wang	Hayward / CA	(415) 308-3064
CA	PMI All Bay	Najib Rahmatti	Pleasanton / CA	(925) 453-2727
CA	PMI South OC <u>Redwood Realty</u>	Rachel and Reese Shulman <u>Jason Karoll</u>	<u>Mission Viejo</u> Redwood / CA	(630) 947-3835 <u>(650) 249-7460</u>
<u>CA</u>	<u>PMI Willow Glen</u>	<u>Nabeel Khashan</u>	<u>San Jose / CA</u>	<u>(408) 728-0318</u>
<u>CO</u>	<u>PMI Castle Rock</u>	<u>Michael Hays</u>	<u>Castle Rock / CO</u>	<u>(720) 733-0896</u>
CO	PMI South Denver	Stuart and Shaylee Holland	Lone Tree / CO	(720) 923-2299
CT	PMI Golden Haven <u>Christopher DeFreitas</u>	Christopher DeFreitas <u>Ruben Vallejo</u>	<u>Guilford</u> Norwalk / CT	(203) 512-6401
CT	PMI Putnam	Anthony Chabot	Putnam / CT	(860) 821-3444
FL	Patrick Mann	Patrick Mann	Aventura / FL	(786) 851-2777
<u>FL</u>	PMI Aventura	Gabriel Grana	Aventura / <u>FL</u>	(786) 851-2777
<u>FL</u>	<u>PMI Daytona Beach</u>	<u>Holly Groseth</u>	<u>Daytona Beach / FL</u>	<u>(904) 705-1405</u>
<u>FL</u>	<u>PMI St. Augustine</u>	<u>Jason Wallis</u>	<u>St. Johns / FL</u>	<u>(904) 601-0691</u>
FL	PMI Tropical Sky	Christopher Wigmore	Orlando / FL	(647) 269-9490
FL	PMI Brickell	Rudina Gjinali	Mississauga / ON	(416) 727-0092
FL	PMI Seaview	Frankie Sicoli	Toronto / ON	(416) 833-6248
GA	PMI Elite Experience	James Pickett	Douglasville / GA	(678) 430-2898
IL	PMI NVP Estates <u>Beyond the Loop</u>	Neil and Monali Patel <u>Payal Patel</u>	Hawthorn Woods <u>Schaumburg</u> / IL	(224) 677-3600
LA	PMI SELA	Tammy Randles	Kenner / LA	(504) 883-5252
MD	PMI Capitol Group	Eyo Ephraim	Upper Marlboro / MD	(202) 509-4738
<u>MO</u>	<u>PMI Heart of America</u>	<u>Deborah Ross</u>	<u>Kansas City / MO</u>	<u>(816) 885-3444</u>

<u>MO</u>	<u>PMI Ozark Professionals</u>	<u>Jeff Phillips</u>	<u>Strafford / MO</u>	<u>(417) 234-5030</u>
MT	PMI Madison Valley	Joseph Wright	Manhattan / MT	(406) 282-3900
<u>NC</u>	<u>PMI Cape Fear</u>	<u>Kenneth Branche</u>	<u>Wilmington / MO</u>	<u>(919) 412-8738</u>
NC	PMI Cardinal	Abdulhannan Malik	Charlotte / NC	(630) 479-5664
NC	PMI Guilford	Nicholas Riggins	Mint Hill / NC	(704) 961-9800
<u>NC</u>	<u>PMI Metrolina</u>	<u>Diana Mushill</u>	<u>Denver [sic] / NC</u>	<u>(704) 906-5140</u>
<u>NC</u>	<u>PMI Raleighwood</u>	<u>Ekansh Bhatia</u>	<u>Cary / NC</u>	<u>(984) 319-7444</u>
NH	PMI Advantage	Lester Fehr	Hampton / NH	(603) 502-6935
<u>NY</u>	<u>PMI Landstar</u>	<u>Jaison Chazhur</u>	<u>New Rochelle / NY</u>	<u>(203) 450-9829</u>
OH	PMI Premier Doors	Ukevia Richards	Lewis Center / OH	(740) 201-2100
OK	PMI Realty Solutions	Vikesh Patel	Broken Arrow / OK	(918) 888-5009
PA	PMI Steel City Management	Fatime Perazic	Pittsburg / PA	(347) 871-8377
<u>SC</u>	<u>PMI Columbia Riverbanks</u>	<u>Kenneth Darling</u>	<u>Columbia / SC</u>	<u>(336) 447-9230</u>
SC	<u>PMI Fort Mill</u>	Shanmugam Marappan	Fort Mill / SC	(800) 200-2303
<u>SC</u>	<u>PMI Rainbow Row</u>	<u>Darcy Marie Cameron</u>	<u>Mount Pleasant / SC</u>	<u>(803) 823-1631</u>
<u>SC</u>	<u>PMI Riverwalk</u>	<u>Kimberly Bryant</u>	<u>Rock Hill / SC</u>	<u>(803) 970-0200</u>
SD	PMI Black Hills	Ruth Rossbach	Sturgis / SD	(919) 744-0578
<u>TN</u>	<u>PMI Midsouth Metro</u>	<u>Anthony Barbarotoo</u>	<u>Lakeland / TN</u>	<u>(901) 314-9011</u>
TN	PMI Two Rivers	Andrew Kubik	Nashville / TN	(615) 612-0101
<u>TX</u>	<u>PMI H-Town</u>	<u>Bright Ainabe</u>	<u>Mississauga / Ontario</u>	<u>(416) 272-9915</u>
<u>TX</u>	<u>Raymond Harrell</u>	<u>Raymond (Ray) Harrell</u>	<u>Midland / TX</u>	<u>(432) 203-9300,</u>
<u>TX</u>	<u>PMI Mid Cities</u>	<u>Sangit Rauniyar</u>	<u>Grand Prairie / TX</u>	<u>(682) 583-8150</u>
TX	<u>Sandra Roberge</u>	<u>Sandra Roberge</u>	<u>Langley / BC</u>	<u>(778) 960-1506</u>
TX	PMI Seguin rves	Kodi Maxey Robert Dury	San Antonio Humble / TX	(830)281) 272- 9276973-4888
VA	PMI Arlington	Kelly Butcher	Arlington / VA	(703) 405-7617

WA	PMI Seattle Metro	Paul Siemering	Bothell/ WA	(425) 307-0099
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EXHIBIT E

FRANCHISEES THAT HAVE LEFT THE SYSTEM

FRANCHISEES WHO HAVE BEEN TERMINATED, CEASED OPERATIONS, OR NOT RENEWED IN 2024⁴³

State	Business Name	Contact First Name	City	Phone Number
<u>CA</u>	<u>PMI Sonoma County</u>	<u>Ingrid Flieger</u>	<u>Santa Rosa / CA</u>	<u>(707) 820-7848</u>
<u>CO</u>	<u>PMI Aspen Snowmass</u>	<u>Tricia McIntyre</u>	<u>Aspen / CO</u>	<u>(970) 618-8290</u>
<u>CO</u>	<u>PMI Fountain Creek</u>	<u>Karla Grages</u>	<u>Colorado Spring / CO</u>	<u>(719) 368-4400</u>
<u>CT</u>	<u>PMI ConnV</u>	<u>Randolph Nethers</u>	<u>South Windsor / CO</u>	<u>(860) 43CONNV</u>
<u>FL</u>	<u>PMI Expert PB</u>	<u>Adam Veilleux</u>	<u>Boynton Beach / FL</u>	<u>(561) 600-9505,</u> <u>(418) 222-7530</u>
<u>FL</u>	<u>PMI Jewell</u>	<u>Zurelys Cardenas</u>	<u>Lake Worth / FL</u>	<u>(754) 946-2493,</u> <u>(954) 225-4255</u>
<u>FL</u>	<u>PMI Palm Valley</u>	<u>Masud Aleem</u>	<u>Jacksonville / FL</u>	<u>(904) 730-1500</u>
<u>FL</u>	<u>PMI St. Johns County</u>	<u>Bill Armel</u>	<u>St. Johns / FL</u>	<u>(904) 940-8088</u>
<u>GA</u>	<u>PMI Atlanta Metro</u>	<u>Jerry Freeman</u>	<u>Atlanta / GA</u>	<u>(678) 257-7775</u>
<u>GA</u>	<u>PMI Cobb</u>	<u>Chase Fortenberry</u>	<u>Marietta / GA</u>	<u>(470) 785-3500</u>
<u>GA</u>	<u>PMI Marietta</u>	<u>Kamini Sali / GA</u>	<u>Austell / GA</u>	<u>(470) 435-9223</u>
<u>IL</u>	<u>PMI Chicago</u>	<u>Atul Singh</u>	<u>Chicago / IL</u>	<u>(312) 285-4689</u>
<u>MA</u>	<u>PMI Spruce Tree</u>	<u>Rachael Kasper</u>	<u>East Freetown / MA</u>	<u>(774) 271-7500</u>
<u>MI</u>	<u>PMI North Star</u>	<u>Will Greene</u>	<u>White Bear Lake / MI</u>	<u>(651) 583-6500</u>
<u>MI</u>	<u>PMI TC Metro</u>	<u>Dave Lindell</u>	<u>Eagan / MI</u>	<u>(651) 461-2868</u>
<u>MO</u>	<u>PMI St. Louis</u>	<u>Justin Moore</u>	<u>Ellisville / MO</u>	<u>(217) 820-4234</u>
<u>SC</u>	<u>PMI Accelerate</u>	<u>Michael Lee</u>	<u>Greenville / SC</u>	<u>(864) 735-0337</u>
<u>TN</u>	<u>PMI Crossroads</u>	<u>Laura Davis</u>	<u>Columbia / TN</u>	<u>(303) 588-1765</u>
<u>TX</u>	<u>PMI of Houston</u>	<u>Stephen Kendrick</u>	<u>Sugar Land / TX</u>	<u>(832) 779-1764</u>
<u>TX</u>	<u>PMI Legacy Pro</u>	<u>Brenda Thompson</u>	<u>Plano / TX</u>	<u>(972) 634-5333</u>
<u>TX</u>	<u>PMI Serves</u>	<u>Kodi Maxey</u>	<u>Humble / TX</u>	<u>(281) 973-4888</u>
<u>TX</u>	<u>PMI Silicon Hills</u>	<u>Kelly and Ken Littleton</u>	<u>Austin / TX</u>	<u>(310) 808-3653</u>

FRANCHISEES WHO TRANSFERRED IN 2024⁴

State	Business Name	Contact First Name	City	Phone Number
NC	PMI Marathon	Victoria Mauro	Highpoint / NC	(704) 787-6961
NC	PMI Queen City	Daniel Herr & Taylor Fleisher	Greenville / NC	(704) 800-6432

5.6. The Franchise Agreement requires dispute resolution by face-to-face meeting, mediation in Utah, or binding arbitration within 25 miles of Franchisor's headquarters, with the costs being borne by both parties. You are encouraged to consult private legal counsel to determine the applicability of California and federal laws to any provisions of a Franchise Agreement restricting venue to a forum outside the State of California.

6.7. The Franchise Agreement requires application of the laws of the State of Wyoming. This provision may not be enforceable under California law.

7.8. You must sign a general release if you 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).

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

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

11. CALIFORNIA'S FRANCHISE INVESTMENT LAW (CORPORATIONS CODE SECTIONS 31512 AND 31512.1) STATES THAT ANY PROVISION OF A FRANCHISE AGREEMENT OR RELATED DOCUMENT REQUIRING THE FRANCHISEE TO WAIVE SPECIFIC PROVISIONS OF THE LAW IS CONTRARY TO PUBLIC POLICY AND IS VOID AND UNENFORCEABLE. THE LAW ALSO PROHIBITS A FRANCHISOR FROM DISCLAIMING OR DENYING (i) REPRESENTATIONS IT, ITS EMPLOYEES, OR ITS AGENTS MAKE TO YOU, (ii) YOUR ABILITY TO RELY ON ANY REPRESENTATIONS IT MAKES TO YOU, OR (iii) ANY VIOLATIONS OF THE LAW.

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

**CALIFORNIA ADDENDUM TO THE FRANCHISE AGREEMENT PROPERTY
MANAGEMENT INCORPORATED FRANCHISE, LLC**

This Addendum (“**Addendum**”) is effective as of _____,
20__ to that certain Franchise Agreement dated _____,
20__ (“**Agreement**”) by and between Property Management Incorporated Franchise, LLC, a Wyoming
limited liability company (“**PMI**”), and _____ (“**Franchisee**”). Notwithstanding any
provisions in the Agreement, PMI and Franchisee hereby agree to the following:

1. Subparagraph 10.5 of the Franchise Agreement requires the parties to waive any and all rights to a trial by jury in the event of litigation. This provision may not be enforceable under California law.
2. The Franchise Agreement contains a provision requiring you to waive your right to punitive or exemplary damages against the franchisor or any of its representatives, limiting your recovery to actual damages. Under California Corporations Code section 31512, these provisions are not enforceable in California for any claims you may have under the California Franchise Investment Law.
3. Section 14.4 of the Franchise Agreement is a no-poach/non-solicitation provision which is disfavored in California and may go against California public policy. Section 14.4 is hereby deleted.
4. Except as expressly provided herein, the Franchise Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this Addendum to be effective as of the date set forth below:

Date: _____

PMI

Property Management Incorporated Franchise, LLC _____
By: PMI MM, Inc.

Its: Managing Member
Steven Hart, CEO

FRANCHISEE

Name of Franchisee: _____ Name of Franchisee: _____

By: _____ By: _____

Print Name: _____ Print Name: _____

Title: _____ Title: _____

MARYLAND ADDENDUM TO THE FRANCHISE AGREEMENT PROPERTY MANAGEMENT INCORPORATED FRANCHISE, LLC

This Addendum (“**Addendum**”) is effective as of _____, 20__ to that certain Franchise Agreement dated _____, 20 (“**Agreement**”) by and between Property Management Incorporated Franchise, LLC, a Wyoming limited liability company (“**PMI**”), and _____ (“**Franchisee**”). Notwithstanding any provisions in the Agreement, PMI and Franchisee hereby agree to the following:

1. **Release, Estoppel, or Waiver of Liability.** 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.
2. **Venue.** Franchisee may bring lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
3. **General Release.** Pursuant to COMAR 02.02.08.16L, 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.
4. **Statute of Limitations.** Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.
5. **Bankruptcy.** The provision in the Franchise Agreement which provides for termination upon bankruptcy of the Franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).
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, the Parties have executed this Addendum to be effective as of the date set forth below:

Date: _____

PMI

Property Management Incorporated Franchise, LLC

By: PMI MM, Inc.

Its: Managing Member

Steven Hart,

CEO

FRANCHISEE

Name of Franchisee: _____

By (Franchise Name): _____

Its (Role): _____

Print Name: _____

Signature: _____

Name of Franchisee: _____

By (Franchise Name): _____

Its (Role): _____

Print Name: _____

Signature: _____

PROPERTY MANAGEMENT INCORPORATED FRANCHISE, LLC

FINANCIAL REPORT
AS OF DECEMBER 31, 2024

PROPERTY MANAGEMENT INCORPORATED FRANCHISE, LLC

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Independent Auditor's Report

To the Members
Property Management Incorporated Franchise, LLC
Lehi, Utah

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Property Management Incorporated Franchise, LLC which comprise the balance sheet as of December 31, 2024, and 2023 and the related statements of operations, changes in member's equity and cash flows for years ended December 31, 2024, 2023 and 2022 and the related notes to the financial statements.

In our opinion, the financial statements referred to in the first paragraph above present fairly, in all material respects, the financial position of Property Management Incorporated Franchise, LLC as of December 31, 2024, and 2023 and the results of its operations and its cash flows for the years ended December 31, 2024, 2023 and 2022 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 (GAAS). 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 Property Management Incorporated Franchise, LLC 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 Property Management Incorporated Franchise, LLC's ability to continue as a going concern for one year after the date that the financial statements are issued.

2580 East Harmony Road, Ste. 301-10 • Ft. Collins, CO 80528
Office: (303) 999-6485



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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 Property Management Incorporated Franchise, LLC'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 Property Management Incorporated Franchise, LLC'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.

Reese CPA LLC

Ft. Collins, Colorado
February 26, 2025

PROPERTY MANAGEMENT INCORPORATED FRANCHISE, LLC
BALANCE SHEETS

	AS OF DECEMBER 31,	
	2024	2023
ASSETS:		
CURRENT ASSETS		
Cash and equivalents	\$ 560,119	\$ 914,380
Restricted cash	1,267,064	1,121,736
Accounts receivable, net	2,374,699	1,457,344
Deferred commissions	43,045	14,500
Prepaid expenses	288,824	166,326
TOTAL CURRENT ASSETS	4,533,751	3,674,286
NON-CURRENT ASSETS		
Property and equipment, net	155,710	104,789
Right of use asset	780,602	1,060,818
Intangible assets	587,465	186,187
Other assets	33,298	33,298
TOTAL ASSETS	\$ 6,090,826	\$ 5,059,378
LIABILITIES AND MEMBERS' EQUITY:		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 1,290,600	\$ 1,543,231
Advertising fund payable	1,020,204	863,700
Revolving line of credit	400,000	-
Current portion of non-refundable deferred franchise fees	113,461	97,630
Event deposits	10,450	50,494
Advances on contracts	246,860	359,283
Current portion of lease liability	272,779	352,172
Due from related party	-	20,000
Current portion of notes payable	20,762	19,538
TOTAL CURRENT LIABILITIES	3,375,116	3,306,048
LONG-TERM LIABILITIES		
Notes payable	71,950	93,396
Non-refundable deferred franchise fees	722,800	515,459
Lease liability	768,757	908,800
TOTAL LIABILITIES	4,938,623	4,823,703
MEMBERS' EQUITY	1,152,203	235,675
TOTAL LIABILITIES & MEMBERS' EQUITY	\$ 6,090,826	\$ 5,059,378

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

PROPERTY MANAGEMENT INCORPORATED FRANCHISE, LLC
STATEMENTS OF OPERATIONS

	FOR THE YEARS ENDED DECEMBER 31,		
	2024	2023	2022
REVENUES			
Franchise sales	\$ 3,233,944	\$ 2,446,717	\$ 3,100,842
License fees	5,410,608	4,871,488	4,048,564
Marketing fees	3,946,903	2,660,272	1,812,738
Franchisee services	743,606	647,648	708,287
Other revenues	4,768,615	5,032,155	3,517,284
TOTAL REVENUES	18,103,676	15,658,280	13,187,715
COST OF GOODS AND SERVICES SOLD	6,272,310	5,053,517	4,574,591
GROSS PROFIT	11,831,366	10,604,763	8,613,124
OPERATING EXPENSES			
Salaries, wages and related costs	5,422,706	5,201,983	3,933,223
General and administrative	1,910,733	2,350,694	1,260,841
Professional services and related costs	238,576	535,583	318,409
Advertising and promotion	92,011	182,208	306,587
Depreciation and amortization	177,453	131,635	80,679
TOTAL OPERATING EXPENSES	7,841,479	8,402,103	5,899,739
OPERATING INCOME	3,989,887	2,202,660	2,713,385
OTHER INCOME (EXPENSES)			
Other income	128,459	26,025	7,999
Other expense	(10,000)	(720,000)	-
Interest expense	(178,948)	(62,148)	(22,177)
TOTAL OTHER (EXPENSE)	(60,489)	(756,123)	(14,178)
NET INCOME	\$ 3,929,398	\$ 1,446,537	\$ 2,699,207

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

PROPERTY MANAGEMENT INCORPORATED FRANCHISE, LLC
STATEMENTS OF CHANGES IN MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	<u>Member Contributions</u>	<u>Member Unit Receivable</u>	<u>Accumulated Earnings (Deficit)</u>	<u>Total</u>
BALANCE, DECEMBER 31, 2021	\$ 1,021,154	\$ (120,000)	\$ 817,991	\$ 1,719,145
Sale of membership units	125,000	-	-	125,000
Redemption of membership interest	(160,000)	-	-	(160,000)
Equity based compensation expense	422,564	(19,069)	-	403,495
Members' distributions	-	-	(3,642,862)	(3,642,862)
Net income	-	-	2,699,207	2,699,207
BALANCE, DECEMBER 31, 2022	1,408,718	(139,069)	(125,664)	1,143,985
Sale of membership units	120,000	(120,683)	-	(683)
Equity based compensation expense	210,000	-	-	210,000
Members' distributions	-	-	(2,564,164)	(2,564,164)
Net income	-	-	1,446,537	1,446,537
BALANCE, DECEMBER 31, 2023	1,738,718	(259,752)	(1,243,291)	235,675
Sale of membership units	30,000	-	-	30,000
Redemption of membership interest	-	-	-	-
Equity based compensation expense	250,400	36,000	-	286,400
Members' distributions	-	-	(3,329,270)	(3,329,270)
Net income	-	-	3,929,398	3,929,398
BALANCE, DECEMBER 31, 2024	<u>\$ 2,019,118</u>	<u>\$ (223,752)</u>	<u>\$ (643,163)</u>	<u>\$ 1,152,203</u>

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

PROPERTY MANAGEMENT INCORPORATED FRANCHISE, LLC
STATEMENTS OF CASH FLOWS

	FOR THE YEARS ENDED DECEMBER 31,		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 3,929,398	\$ 1,446,537	\$ 2,699,207
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	177,453	131,635	80,679
Amortization of right to use asset	280,216	200,154	-
Recognition of non-refundable deferred franchise sales	(743,727)	(954,661)	(912,690)
Recognition of franchise acquisition costs	730,014	804,871	740,968
Equity based compensation	286,400	210,000	362,564
Change in assets and liabilities			
Restricted cash	(145,328)	(446,329)	(381,863)
Accounts receivable	(917,355)	(352,181)	(551,690)
Prepaid expense	(134,443)	(93,225)	(46,508)
Deferred commissions	(28,545)	6,750	19,750
Franchise acquisition costs	(860,872)	(763,485)	(1,153,645)
Other assets	-	(21,820)	-
Accounts payable and accrued expenses	(252,631)	993,074	210,917
Advertising fund payable	156,504	438,000	322,813
Event deposits	(40,044)	50,494	
Advances on contracts	(112,423)	27,530	79,081
Non-refundable deferred franchise fees	1,097,757	919,855	1,318,448
Deferred rent	-	-	-
Net cash provided by operating activities	<u>3,422,374</u>	<u>2,597,199</u>	<u>2,788,031</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of intangible assets	(72,234)	(60,836)	(27,250)
Purchase of property and equipment	(545,473)	(22,798)	(19,770)
Net cash (used) by investing activities	<u>(617,707)</u>	<u>(83,634)</u>	<u>(47,020)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from line of credit	3,960,000	400,000	-
Payments on line of credit and notes payable	(3,799,658)	(416,264)	-
Advances from related party	(20,000)	20,000	-
Proceeds from sale of member units	30,000	-	125,000
Redemption of membership interest	-	-	(160,000)
Members' distributions	(3,329,270)	(2,564,164)	(3,642,862)
Net cash used by financing activities	<u>(3,158,928)</u>	<u>(2,560,428)</u>	<u>(3,677,862)</u>
NET INCREASE IN CASH	<u>(354,261)</u>	<u>(46,863)</u>	<u>(936,851)</u>
CASH, beginning of year	<u>914,380</u>	<u>961,243</u>	<u>1,898,094</u>
CASH, end of year	<u>\$ 560,119</u>	<u>\$ 914,380</u>	<u>\$ 961,243</u>

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

PROPERTY MANAGEMENT INCORPORATED FRANCHISE, LLC
STATEMENTS OF CASH FLOWS
(CONTINUED)

	FOR THE YEARS ENDED DECEMBER 31,		
	2024	2023	2022
SUPPLEMENTAL DISCLOSURES			
Cash paid for interest	\$ 178,948	\$ 62,148	\$ 22,177
Cash paid for taxes	\$ -	\$ -	\$ -
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:			
Acquisition of right to use asset	\$ -	\$ (1,260,972)	\$ -
Issuance of lease obligation	\$ -	\$ 1,260,972	\$ -
Purchase of equipment	\$ -	\$ (129,198)	\$ -
Issuance of notes payable	\$ -	\$ 129,198	\$ -
Member unit receivable	\$ -	\$ (120,000)	\$ (60,000)
Issuance of member units	\$ -	\$ 120,000	\$ 60,000

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

**PROPERTY MANAGEMENT INCORPORATED FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property Management Incorporated Franchise, LLC (the “Company”) was formed on March 21, 2008 (Inception) in the State of Nevada, as a limited liability company. The Company was reorganized as a Wyoming limited liability company on March 22, 2016. The Company offers franchises to qualified entities or individuals to engage in a business model that offers a broad spectrum of community association, commercial, residential, and vacation/short-term rental property management, and real estate services. The franchise business will operate in a specific geographic area, using PMI’s name, logo and other trademarked and copyrighted materials, strategies, operating procedures, manuals, software solutions, print and digital media customer marketing methods and materials, and proprietary property management software, processes, and systems.

The Company has four affiliated companies (“Affiliate(s)”). PMI Investments, LLC, (“PMI Investments” or “PMI”) a Wyoming limited liability company, was formed on March 21, 2008. PMI MM, Inc., was formed as a Nevada corporation, on March 21, 2008, and is the Company’s manager. PMI Investments and PMI MM, Inc. were originally formed as Nevada limited liability companies and were reorganized as Wyoming limited liability companies in early 2016. PMI International, LLC (“International”), was formed as a Wyoming limited liability company on January 27, 2017. PMI of Utah, LLC, was formed on June 28, 2011, as a Utah limited liability company.

A summary of significant accounting policies follows:

Basis of Presentation

The accompanying financial statements have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

Use of Estimates

Preparation of the Company's financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents. The Company had no cash equivalents at December 31, 2024, and 2023.

Restricted Cash

Restricted cash balances consist of amounts collected in advance on franchise contracts in connections with the granting of E-2 visas by the United States Government to the franchisee and contributions to the National Advertising Fund by franchisees in excess of expenditures.

PROPERTY MANAGEMENT INCORPORATED FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

The timing of revenue recognition may be different from the timing of invoicing to customers. The Company records an accounts receivable when revenue is recognized prior to invoicing, or unearned revenue when revenue is recognized subsequent to invoicing. Accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of outstanding amounts. Management regularly evaluates individual customers' 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. The Company recorded an allowance for uncollectible accounts of \$267,662, and \$42,928 as of December 31, 2024, and 2023, respectively. Bad debt expense was \$360,188, \$342,335, and \$106,153, for the years ended December 31, 2024, 2023 and 2022, respectively. Amounts written off were \$276,003, \$422,467, and \$116,367, for the years ended December 31, 2024, 2023 and 2022, respectively.

Property, Plant & Equipment

Property and equipment are stated at historical cost. Depreciation is provided using straight-line method based on the estimated useful lives of the related assets (generally five to seven years).

Intangible Assets

The Company has established intangible assets for the development of intellectual property and acquired territory rights.

The Company has adopted ASC 360, Intangibles – Goodwill and Other that require that goodwill and intangible assets with indefinite lives (such as intellectual property) no longer be amortized to earnings but be tested for impairment at least annually. Intangible assets with finite lives are amortized over their estimated useful lives.

Revenue Recognition and Non-refundable Deferred Franchise Fee Revenue

The Company's revenue is principally generated through franchise agreements executed with the Company's franchisees and is recognized under the guidance of ASC 606 "Contracts with Customers".

Each franchise agreement is comprised of several performance obligations. The Company identifies those performance obligations, determines the contract price for each performance obligation, allocates the transaction price to each performance obligation and recognizes revenue when the Company has satisfied the performance obligation by transferring control of the good or service to the franchisee.

When a franchisee purchases a property management franchise, the Company grants the franchisee the right to use the proprietary methods, techniques, trade dress, trademarks, and logos ("the license"). This is considered to be symbolic intellectual property. Revenues related to the license are continuing monthly that are calculated on gross revenue with a royalty of 3% to 5% on brokerage type revenue plus a tiered percentage royalty that varies from 7% to 3% depending on other gross revenues for each month. These revenues are used to continue the development of the Company's brand, the franchise system and provide

PROPERTY MANAGEMENT INCORPORATED FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition and Non-refundable Deferred Franchise Fee Revenue (continued)

ongoing support for the Company's franchisees over the term of the agreement. The royalties are billed monthly and are recognized as revenue when earned.

Revenue from initial fees is allocated to the performance obligations in the franchise agreement that are distinct from the symbolic intellectual property. These primarily include training services, opening support services, opening marketing assistance and franchisee acquisition and acceptance. The amount allocated to each identified performance obligation is determined using the expected cost plus a margin approach. Revenue from initial fees is recognized when the performance obligation is satisfied and control of the goods or service has been transferred to the franchisee. Performance obligations that are normally satisfied by the opening of the franchised business to the public are determined to be earned during the period from the execution of the contract to the opening of the franchised business which is generally less than one year. Deferred initial fee revenues from franchisee acquisition and acceptance will be recorded as deferred non-refundable revenue and recognized as revenue over the term of the contract which is currently 10 years from the date the franchisee opens the franchise business to the public. Incremental costs of obtaining a franchise agreement with a franchisee related to unsatisfied performance obligations will be recorded as a franchise acquisition cost and are recognized as a cost of the related sale over the same term as the related performance obligation which is currently 10 years.

Revenues from other sources, including, but not limited to, accounting services and marketing fees, are recognized as earned when the service has been delivered, due and billed.

Revenue from training materials is recognized upon shipment and invoicing. Sales of training products are restricted to the Company's franchisees.

National Advertising Fund

The Company implemented a National Advertising Fund on April 1, 2022, to purchase advertising for the benefit of franchisees of the Company and pay for the cost of administering the fund. Contributions to the National Advertising Fund currently range from 1% to 2% of gross revenue. The contributions are billed monthly and recognized as contributions to the fund when billed. The total contributions in excess of expenditures and reported as advertising fund payable on the attached balance sheet was \$1,020,204 and \$863,700 as of December 31, 2024, and 2023.

Income Taxes

The Company has elected to be taxed as a Partnership 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 members and no provisions for federal or state franchise taxes have been recorded on the accompanying balance sheet.

The Company adopted ASC 740-10-25-6 "Accounting for Uncertainty in Income Taxes", that requires the Company to disclose uncertain tax positions. Under the standard an entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold upon examination by taxing authorities.

PROPERTY MANAGEMENT INCORPORATED FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (continued)

Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements or that would affect the Company's members. The Company's evaluation was performed for years ending December 31, 2024, 2023 and 2022 for U.S. Federal Income Tax and the State of Utah Income Tax.

Fair Value of Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and accrued expenses, the carrying amounts approximately 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.

Advertising Costs

Advertising costs are charged to expense as they are incurred. Advertising expense for the years ended December 31, 2024, 2023 and 2022 were \$92,011, \$182,208, and \$306,587, respectively.

Recently issued accounting pronouncements

The Company has adopted all recently issued Accounting Standards Updates ("ASU"). The adoption of the recently issued ASUs, including those not yet effective, is not anticipated to have a material effect on the financial position or results of operations of the Company.

PROPERTY MANAGEMENT INCORPORATED FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – CONTRACTS WITH CUSTOMERS

The Company has recognized certain assets and liabilities related to the Company's contracts with franchisees. The account balances and activity are as follows:

	December 31,	
	2024	2023
Deferred Non-refundable Franchise Fees:		
Balance Beginning of year	\$ 3,548,929	\$ 3,583,735
Deferral of non-refundable franchise fees	1,097,757	919,855
Recognition of non-refundable franchise fees	(743,727)	(954,661)
Totals at End of Year	<u>3,902,959</u>	<u>3,548,929</u>
Franchise Acquisition Costs:		
Balance Beginning of year	\$ 2,935,840	\$ 2,977,226
Deferral of franchise acquisition costs	860,872	763,485
Recognition of franchise acquisition costs	(730,014)	(804,871)
Totals at End of Year	<u>3,066,698</u>	<u>2,935,840</u>
Aggregated Franchise Fees and Franchise Acquisition Costs	<u>\$ 836,261</u>	<u>\$ 613,089</u>
Advances on Contracts:		
Balance Beginning of year	\$ 359,283	\$ 331,753
Advances Received	136,502	200,721
Advances applied to accounts receivable	(248,925)	(173,191)
Balance at End of Year	<u>\$ 246,860</u>	<u>\$ 359,283</u>

Disaggregation of Revenues

Disaggregated revenues based on the satisfaction of performance obligations in the Company's contracts with franchisees is as follows:

	Year Ended December 31,		
	2024	2023	2022
Revenues earned at a point in time	\$ 17,359,949	\$ 14,703,537	\$ 12,274,755
Revenues earned through the passage of time	743,727	954,661	912,960
Total revenues	<u>\$ 18,103,676</u>	<u>\$ 15,658,198</u>	<u>\$ 13,187,715</u>

PROPERTY MANAGEMENT INCORPORATED FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – CONTRACTS WITH CUSTOMERS (CONTINUED)

Estimated Recognition of non-refundable deferred franchise fees

Estimated revenues to be recognized in future periods related to non-refundable deferred franchise fees and related franchise acquisition costs as reported in the balance sheet at December 31, 2024, is as follows:

	Non-refundable Franchise Fees	Franchise Acquisition Costs	Aggregated Contract Totals
Year ending December 31:			
2025	\$ 612,335	\$ 498,874	\$ 113,461
2026	587,312	478,105	109,207
2027	550,426	447,490	102,936
2028	510,562	414,403	96,159
2029	475,865	389,650	86,215
Thereafter	1,166,459	838,176	328,283
	<u>\$ 3,902,959</u>	<u>\$ 3,066,698</u>	<u>\$ 836,261</u>

NOTE 3 – PROPERTY AND EQUIPMENT

Property and Equipment consist of the following at December 31,

	2024	2023
Furniture and equipment	\$ 108,302	\$ 223,821
Transportation equipment	135,698	215,198
	244,000	439,019
Accumulated depreciation	(88,290)	(334,230)
	<u>\$ 155,710</u>	<u>\$ 104,789</u>

Depreciation expense was \$21,313, \$73,839, and \$48,000 for the years ended December 31, 2024, 2023 and 2022, respectively. During the year ending December 31, 2024, the Company relieved property and equipment of fully depreciated and disposed equipment totaling \$267,253.

PROPERTY MANAGEMENT INCORPORATED FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 4 – INTANGIBLE ASSETS

Intangible assets consist of the following at December 31,

	<u>2024</u>	<u>2023</u>
Developed intellectual property	\$ 189,572	\$ 179,737
Software Rights	535,638	-
Franchise rights	<u>215,000</u>	<u>215,000</u>
	940,210	394,737
Accumulated amortization	<u>(352,745)</u>	<u>(208,550)</u>
	<u>\$ 587,465</u>	<u>\$ 186,187</u>

Amortization expense was \$156,140, \$57,795, and \$32,679 for the years ended December 31, 2024, 2023 and 2022, respectively. Amortization expense is expected to be \$188,388 per year for the next two years, \$77,031 for year three and \$11,238 for year four and \$9,792 thereafter.

NOTE 5 –REVOLVING LINE OF CREDIT

The Company has a revolving line of credit with a bank. Under the terms of the credit agreement the Company may borrow up to \$1,500,000. The credit facility matures April 16, 2025. Interest is payable monthly at the prime rate of interest as published by the Wall Street Journal plus 2.5% (currently 10.0%). The revolving line of credit is collateralized by certain assets of the Company and the personal guarantees of the members of the Company. The principal amount outstanding at December 31, 2024, and 2023 was \$400,000 and \$0, respectively.

NOTE 6 – NOTE PAYABLE

During 2024 the Company issued a note payable for the purchase of transportation equipment. The face amount of the note was \$129,198 and is due in 72 monthly installments of \$2,146 including interest at 5.99% per annum. The note is collateralized by the transportation equipment. The outstanding balance of the note payable was \$106,434 as of December 31, 2024.

The maturities of the long-term debt are as follows:

Year ending December 31:	
2025	\$ 20,672
2026	22,019
2027	23,375
2028	24,810
2029	<u>1,746</u>
	<u>\$ 92,622</u>

PROPERTY MANAGEMENT INCORPORATED FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 7 – MEMBERS EQUITY

During the years ended December 31, 2024, 2023, and 2022, the Company issued member units valued at \$280,400, \$330,000, and \$547,564 of which \$250,400, \$210,00, and \$422,564 was for compensation of services provided to the Company. The member units were valued using an estimated aggregate average value of each of the Company's franchises.

During 2022 the Company redeemed membership rights totaling \$160,000.

NOTE 8 –RELATED PARTY TRANSACTIONS

During the years ended December 31, 2024, 2023 and 2022 the Company paid \$0, \$0, and \$0 respectively in management fees to an affiliate for the day-to-day management of the Company's operations. As of December 31, 2023, the Company received advances from an affiliate in the amount of \$20,000 which advance was repaid in the year ending December 31, 2024.

NOTE 9 – RIGHT TO USE ASSET AND LEASE LIABILITY

On January 31, 2023, under the guidance of ASC 842 "Leases", the Company recorded a right to use asset and lease liability for the lease of office space. As of January 31, 2023, the remaining initial lease term was 62 months, through March 31, 2028. Lease payments over the term are between \$29,583 and \$33,298 per month. The right to use asset and lease were recorded as an operating lease. The right to use asset and lease liability were valued at \$1,260,972 using the monthly lease payments over the initial term of the lease using a 10.5% discount rate based on the lessors borrowing rate at the inception of the lease. The total lease expense for this lease for the years ended December 31, 2024, and 2023, was \$369,018, and 334,370 and consisted of right to use asset amortization of \$280,216, and \$200,154 and amounts representing interest of \$88,802, and \$134,216.

Balances as of December 31,

	2024	2023
Right to use asset	\$ 780,062	\$ 1,060,818
Lease liability	\$ 1,041,536	\$ 1,260,972
Less current portion	(272,779)	(352,172)
	<u>\$ 768,757</u>	<u>\$ 908,800</u>

Future minimum lease payments, including the interest component, is as follows:

Year ending December 31:

2025	\$ 369,303
2026	380,352
2027	391,783
2028	99,893
Total	<u>\$ 1,241,331</u>

PROPERTY MANAGEMENT INCORPORATED FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – RECONCILIATION OF ADJUSTED EBITDA

The following table presents a reconciliation of Adjusted EBITDA to Net Income for the years ended December 31, 2024, 2023 and 2022:

	Year Ended December 31,		
	2024	2023	2022
Adjusted EBITDA	\$ 4,407,740	\$ 1,824,213	\$ 3,156,628
Equity based compensation expense	(250,400)	(210,000)	(362,564)
Other income	128,459	26,025	7,999
Interest expense	(178,948)	(62,148)	(22,177)
Depreciation and amortization	(177,453)	(131,635)	(80,679)
Net income	<u>\$ 3,929,398</u>	<u>\$ 1,446,455</u>	<u>\$ 2,699,207</u>

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Litigation

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. 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.

NOTE 12 - SUBSEQUENT EVENTS

Date of Management's Evaluation

Management has evaluated subsequent events through February 26, 2025, the date on which the financial statements were available to be issued.

EXHIBIT H

STATE-EFFECTIVE DATES & RECEIPTS

RECEIPT

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 PMI offers you a franchise, PMI must provide this Disclosure Document to you fourteen (14) calendar days before you sign a binding agreement with, or make a payment to, PMI or an Affiliate in connection with the proposed franchise sale [**or sooner if required by applicable state law**]. Under Michigan law, if applicable, PMI must provide this Disclosure Document to you at least ten (10) business days before the execution of the franchise or other agreement or payment of any consideration that related to the franchise relationship. Under New York law, if applicable, PMI must provide this Disclosure Document to you at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or payment of any consideration that relates to the franchise relationship. A list of registration states and effective dates is included in this Exhibit H, page 125, State Effective Dates.

If PMI 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 Franchisor is Property Management Incorporated Franchise, LLC, located at 2901 W Bluegrass Blvd, Ste 420, Lehi, Utah 84043. Its telephone number is (801) 407-1301

Issuance Date: March 1, 2025

The name, principal business address and telephone number of each franchise seller offering the franchise: Steven Hart, Jeremiah Cundiff, Orlando Pedrero, Aaron McElhiney, James Schrader, Patrick McFarland, Jeff Roberts, Adrian Calloway, Chris Cornilles, and Landon Hall, Property Management Incorporated Franchise, LLC at 2901 W Bluegrass Blvd, Ste 420, Lehi, Utah 84043.

PMI authorizes the respective state agencies identified on Exhibit A to receive service of process for it in the particular state.

I received a Disclosure Document dated March 1, 2025 that included the following Exhibits:

Exhibit A	List of State Agencies/Agents for Service of Process
Exhibit B	Franchise Agreement
Exhibit C	Operations Manual Table of Contents
Exhibit D	Current Franchisees
Exhibit E	Franchisees That Have Left the System
Exhibit F	State-Specific Addenda
Exhibit G	Financial Statements
Exhibit H	State-Effective Dates & Receipts

Date (*do not leave blank*):

Signature of Prospective Franchisee

Printed Name

You may return the signed receipt either by signing, dating, and mailing it to Property Management Incorporated Franchise, LLC at 2901 W Bluegrass Blvd, Ste 420, Lehi, Utah 84043, scanning as a PDF and emailing to info@PropertyManagementInc.com, or by faxing a copy of the signed and dated receipt to Property Management Incorporated Franchise, LLC at (801) 669-5955.

FRANCHISOR COPY

RECEIPT

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(Do not Leave Blank)

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Printed Name

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KEEP THIS COPY FOR YOUR RECORDS.