

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, 2023, we had 408 total locations. Based upon data and information for the 2023 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 2023 calendar year.
2. Data from 11 franchises is not included in the 2023 data because the franchise either

failed to provide us with data or the data was incomplete or insufficient;

3. Data for 43 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 52 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 28 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 90 franchises participating in the Commercial Pillar is not included because the franchises did not manage any Suites, or the data was incomplete or insufficient;
7. Other than listed above, the data from all franchises for the full 2023 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 2023, 1,842 Doors, 16,383 Units in 200 Associations, 28 Suites, and 33 Keys were added through acquisitions from 54 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 | \$2,400 | \$1,634 | \$12,143 | \$9,289 |
| Median | \$2,063 | \$1,152 | \$9,843 | \$7,428 |

1. We included a total of 218 franchises in the Residential Analysis above. The actual range for the revenue/door was \$61 – \$7,369.
2. We included a total of 29 franchises in the Commercial Analysis above. The actual range for the revenue/suite was \$15 – \$8,345.
3. We included a total of 89 franchises in the Association Analysis above. The actual range for the revenue/association was \$13 – \$60,111.
4. We included a total of 69 franchises in the Short-Term Rental Analysis above. The actual

range for the revenue/key was \$458 – \$42,561.

| <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 |
| Median | \$162,430 | \$7,486 | \$98,425 | \$90,991 |

**Table 2 Average
Property/Association
Count**

This table shows the actual numbers for Average & Median property/association count for Doors, Associations, Keys, and Suites 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 | 124 | 18 | 15 | 23 |
| Median | 79 | 7 | 10 | 12 |

1. We included a total of 218 franchises in the Residential Analysis above. The actual range of Doors was 2 – 1,100.
2. We included a total of 29 franchises in the Commercial Analysis above. The actual range of Suites was 1 – 140.
3. We included a total of 89 franchises in the Association Analysis above. The actual range for Associations was 1 – 110.
4. We included a total of 69 franchises in the Short-Term Rental Analysis above. The actual range for Keys was 1 – 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 Suites
 - a. Management fees ranging from 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.

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 Steve 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.

Table 3
Average Annual
Revenue Per Pillar

| <u>Annual Revenue</u> <u>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 |
| Median | \$162,430 | \$7,486 | \$98,425 | \$90,991 |

We have 158 Franchise Locations that are operating in multiple pillars. This group of franchisees earns an average of \$376,421 annually.