	Provision	Section in Multi-Unit Development Agreement	Summary
r.	Non-competition covenants after the franchise is terminated or expires	Section 8.3.2	For 24 months after the termination of the Franchise Agreement, you may not: divert, or attempt to divert, customers of any Lola Beans business (including yours) to any competitor; participate in any capacity, including, but not limited to as an owner, partner, officer, director, employee or agent, in any other capacity in any business that offers fresh-brewed coffee; hot, cold or iced coffee blended beverages; coffee beans and/or related items within 10 miles of your former Development Area or any other Lola Beans outlet location; do any act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisees.
s.	Modification of the agreement	Section 11.12	No oral modifications. No amendment of the provisions will be binding upon either party unless the amendment has been made in writing and executed by all interested parties.
t.	Integration/merger clause	Section 11.12	Only the terms of the Multi-Unit Development Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of Multi-Unit Development Agreement may not be enforceable. Notwithstanding the foregoing, nothing in the Multi-Unit Development Agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Sections 10.1, 10.2, 10.3, and 10.4	At our option, claims that are not resolved internally may be submitted to non-binding mediation at our headquarters, and then to binding arbitration, excluding claims related to injunctive relief, anti-trust, the trademarks, possession of the Franchised Business premises and post-termination obligations. Subject to state law.
v.	Choice of forum	Section 10.5	Litigation takes place in Tennessee, subject to applicable state law.
w.	Choice of law	Section 10.5	Tennessee, subject to applicable state law.

See the state addenda to this Franchise Disclosure Document and the Franchise Agreement for special state disclosures.

ITEM 18: PUBLIC FIGURES

We do not currently use any public figures to promote our franchise.

ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor owned outlets, if there is a reasonable-basis for the information, and if the information is included in the 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 performance at a particular location or under particular circumstances.

As of our fiscal year ending December 31, 2025, we had 2 affiliate-owned outlets open and operating and no franchised outlets. This financial performance representation reflects the historical performance of our affiliate-owned outlet in Cleveland, Tennessee, which opened on July 6, 2022. We have excluded our East Brainerd, Tennessee location because its 280 sq ft size is not representative of our 600–900 sq ft franchise model. Our Cleveland, Tennessee outlet operates similarly and offers the same products and services as our franchised locations. This representation covers the financial performance of our affiliate-owned outlet for the calendar years 2024 and 2025.

Table 1:

Profit & Loss
Calendar Years 2025

PROFIT & LOSS
JANUARY 1 - DECEMBER 31 2025

DISTRIBUTION ACCOUNT	TOTAL	%
Sales		
Gross Revenue	$1,555,669.79	
Discounts & Promos	($34,989.00)	-2.30%
Total Net Sales	$1,520,680.79	100.00%
Cost of Goods Sold		
Total Cost of Goods Sold	$509,775.84	33.5%
Labor		
Total Labor	$304,580.17	20.0%
Prime Cost	$814,356.01	53.6%
Expenses		
Supplies and Maintenance	$46,374.41	3.05%
General Admin	$91,929.62	6.05%
Third Party Fees	$14,242.91	0.93%
Utilities	$14,829.63	0.98%
Total Operating Expenses	$153,133.66	10.07%
Rent	$90,223.77	5.93%
Corporate Unit Level EBITDA	$462,967.35	30.44%
Estimated Franchise Costs		
Royalty (6%)	$93,340.19	6.00%
Brand Fund (2%)	$31,113.40	2.00%
Local Marketing (1%)	$15,556.70	1.00%
Total Franchise Costs	$140,010.28	9.00%
Franchisee Adjusted EBITDA	$322,957.07	21.44%

Table 2:

Total Gross Revenue
Calendar Years 2024-2025

Calendar Years 2024-2025

Calendar Year	2024	2025
Total Gross Revenue	$1,321,943	$1,555,669.79

Table 3:

Revenue Per Square Foot
Calendar Years 2024-2025

Unit	Revenue Per Square Foot (2024)	Revenue Per Square Foot (2025)
Corporate #1	$2,592.04	$2,981.73

General Notes:

1. The information contained in these Tables has not been audited.
2. Our affiliate-owned outlet is not subject to the same territorial restrictions or fees that a franchisee will experience.
3. Our affiliate-owned outlet is 510 square feet.
4. Gross revenues for the 2024 and 2025 calendar years are as reported by our affiliate-owned outlet through our electronic reporting system.
5. Gross Revenue means all income less pass-through sales taxes and refunds to customers.
6. In some instances, when calculating averages, variations in calculations occurred which are associated with rounding figures compounded by the computational difficulty encountered in calculating the average of an average. The differences in the calculations are not errors and they should be considered accurate.
7. You should consult with your tax advisor regarding tax liabilities, depreciation and amortization schedules, and the period(s) over which the assets of the business may be amortized or depreciated, as well as the effect, if any, of recent or proposed tax legislation. You should conduct an independent investigation of the costs and expenses you will incur in operating your Franchised Business. Franchisees or former franchisees listed in this disclosure document may be one source of that information.

Written substantiation of the data used in preparing these figures will be made available to you upon reasonable request. The information presented above has not been audited.

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

Other than the preceding financial performance representation, Fun Beverage, LLC does not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Donald Bradley at Fun Beverage, LLC, 7512 Middle Valley Rd., Hixson, Tennessee, 37343, or 423-280-9024, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-wide Outlet Summary
For Years 2023 to 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Company – Owned	2023	2	2	0
	2024	2	2	0
	2025	2	2	0
Total Outlets	2023	2	2	0
	2024	2	2	0
	2025	2	2	0

Table No. 2

Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor)
For Years 2023 to 2025

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

Table No. 3

Status of Franchised Outlets
For Years 2023 to 2025