

Provision	Section in Development Agreement	Summary
u. Dispute resolution by arbitration or mediation	Sections 12 and 13	You must first bring any claim or dispute between you and us to our CEO or President and provide us with 30 days' notice and opportunity to cure. At our option, all claims, controversies, or disputes from or relating to the Development Agreement must be mediated, except for claims for any federally protected intellectual property rights in the Proprietary Marks, the System, any Confidential Information; collection actions or actions seeking injunctive or extraordinary relief. Disputes, other than those for claims, will be resolved by arbitration.
v. Choice of forum	Section 15	Mediation and arbitration at the AAA offices in the city in which we maintain our principal place of business at the time the mediation or arbitration is initiated. Subject to mediation and arbitration provision, any actions arising out of or related to the Development Agreement must be initiated and litigated to conclusion exclusively in the state or federal court closest to where we maintain its principal business offices at the time of filing, currently Tarrant County, Texas (unless settled by the parties after such action is initiated). We may bring an action in any other court of competent jurisdiction to seek and obtain injunctive relief. (subject to applicable state law).
w. Choice of law	Section 11	Subject to applicable state law, the Development Agreement is to be interpreted and construed under Texas law (without giving effect to any conflict of law) except that any law regulating the offer or sale of franchises, business opportunities or similar interests or governing the relationship between us and you will not apply unless its jurisdictional requirements are met independently.

**ITEM 18
PUBLIC FIGURES**

We do not currently use any public figure to promote the 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 possible performance at a particular location or under particular circumstances.

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

Table 1 discloses the historical performance of each our formerly affiliate-owned location that was open for the entire 2025 calendar year (the “2025 Measurement Period”). The disclosed salon operated for 3.5 days per week and previously operated under the mark CROWN rather than DELTA CROWN during the Measurement Period. Given the similarity of the marks and since it has the same financial and operational characteristics as those being offered pursuant to this disclosure document and since it does not otherwise materially differ from what you would operate as a franchisee it is being disclosed to you. You will be required to operate for not less than five days per week.

	ANNUAL		MONTHLY	
	TOTAL	%	TOTAL	%
Revenue				
Total Membership Sales	\$598,357	59.8%	\$49,863	59.8%
Total Package Revenue	\$5,502	0.6%	\$458	0.6%
Total Product Revenue	\$118,101	11.8%	\$9,842	11.8%
Total Service Revenue	\$278,174	27.8%	\$23,181	27.8%
Total Revenue	\$1,000,134	100.0%	\$83,344	100.0%
Cost of Goods Sold				
Backbar	\$178,972	17.9%	\$14,914	17.9%
Retail	\$13,947	1.4%	\$1,162	1.4%
CC Fees/Merchant Charges	\$33,024	3.3%	\$2,752	3.3%
Estimated Royalty Fee	\$60,008	6.0%	\$5,001	6.0%
Estimated Marketing Fee	\$20,003	2.0%	\$1,667	2.0%
Total Cost of Goods Sold	\$305,953	30.6%	\$25,496	30.6%
Gross Profit	\$694,181	69.4%	\$57,848	69.4%
Operating Expenses				
Direct Payroll Expenses	\$202,154	20.2%	\$16,846	20.2%
Manager Payroll	\$129,843	13.0%	\$10,820	13.0%
Staff Education & Training	\$3,634	0.4%	\$303	0.4%
Marketing	\$54,581	5.5%	\$4,548	5.5%
General Operating Expenses	\$8,309	0.8%	\$692	0.8%
Software & Dues	\$12,396	1.2%	\$1,033	1.2%
Rent & Lease	\$103,535	10.4%	\$8,628	10.4%
Accounting Fees	\$30,072	3.0%	\$2,506	3.0%
Total Expenses	\$544,525	54.4%	\$45,377	54.4%
Net Operating Income	\$149,656	15.0%	\$12,471	15.0%

Explanatory Notes to Table 1

1. *Total Membership & Package Revenue* means all revenue from recurring memberships and services packages.
2. *Total Revenue* means all gross receipts, less tips and sales tax and represents the amount upon which we will base your Royalty Fee and Marketing Fee pursuant to your Franchise Agreement with us.
3. *Estimated Royalties (Calculated at 6% of Gross Revenue)* means the calculated estimated Royalty Fees this location would have been required to pay had it been a franchise operating pursuant to this Franchise Disclosure Document.
4. *Estimated Marketing Fee (Calculated at 2% of Gross Revenue)* means the calculated estimated Brand Fund expenditures a location would have been required to pay had it been a franchise operating pursuant to this Franchise Disclosure Document.
5. *Total for Cost of Goods Sold* means all variable cost inputs to facilitate customer sales, including backbar, retail, hair extensions, guest perks, credit card fees, Estimated Royalty 6% and Estimated Marketing Fee.
6. *Gross Profit* means Gross Revenue less Total for Cost of Goods Sold.
7. *Payroll Expenses* means all hourly and salaried labor excluding general managers, including based wages, payroll taxes, and benefits. However, this definition does include payroll taxes for a general manager.
8. *Manager Payroll* the salaried labor costs of a general manager, excluding payroll taxes, and benefits.
9. *Marketing* means the actual local marketing expenditures of the location. Your requirements will be \$2,000 per month (\$24,000 per year).
10. *General Operating Expenses* means insurance, taxes and licenses, repairs and maintenance, utilities, office supplies, staff appreciation and recruiting.
11. *Software and Dues* means dues and subscriptions, business software, and virtual assistant expenses.
12. *Rent and Lease* means base rent and all related NNN (triple net) costs, including common area maintenance, insurance, and tax-related obligations under the lease.
13. *Total for Total for Operating Expenses* means the sum of all the names operating expenses.
14. *Net Income Operating Income* means Gross Profit less all of the aforementioned expenses. This data does not include or account for any other operating costs or expenses that are not specifically identified in this Explanatory Note or elsewhere in this Item 19.

Substantiation of the data used in preparing this financial performance representation will be made available to you upon reasonable request.

Other than the preceding financial performance representation we do 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 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 Kristin Kidd, COO Crown Extension Bar, LLC, 550 Reserve Street, Suite 380, Southlake, Texas 76092(734) 678-0919, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1
Systemwide Outlet Summary
For Years 2023-2025**

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	1	+1
Company Owned	2023	1	1	0
	2024	1	1	0
	2025	1	0	-1
Total Outlets	2023	1	1	0
	2024	1	1	0
	2025	1	1	0

Table No. 2

**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2023-2025**

State	Year	Number of Transfers
CO	2023	0
	2024	0
	2025	0
Totals	2023	0
	2024	0
	2025	0

**Table No. 3
Status of Franchised Outlets
For Years 2023-2025**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
CO	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Totals	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0