

Provision	Section in Agreement	Summary
t) Integration or merger clause	Section 16.6 in the Franchise Agreement.  Section 11.7 in the Area Development Agreement.	Only the terms of the Franchise Agreement and Area Development Agreement are binding (subject to state law). Any representations or promises outside of this Disclosure Document, the Franchise Agreement and Area Development Agreement may not be enforceable.
u) Dispute resolution by arbitration or mediation	Section 16.3.1 in the Franchise Agreement.  Section 11.4 in the Area Development Agreement.	Mandatory and binding arbitration except to prevent irreparable harm.
v) Choice of forum	Section 16.3.1 in the Franchise Agreement.  Section 11.4 in the Area Development Agreement.	Litigation and arbitration must be in Medford, Oregon. This provision may be subject to applicable state law.
w) Choice of law	Section 16.3.1 in the Franchise Agreement.  Section 11.4 in the Area Development Agreement.	Oregon law applies, but this provision may be subject to applicable state law.

## Item 18

### **PUBLIC FIGURES**

We do not use any public figure to promote our franchises. Any use of the name of a public figure by you in your promotional efforts or advertising is subject to our right to approve or disapprove of your advertising materials, except to the extent that a public figure may be involved in the actual control or management of your franchise.

## Item 19

### **FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC's Franchise Rule permits a franchisor to provide information about the actual and potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering

buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

Table 1 provides historical financial performance data based on the unaudited financial statements of eleven (11) affiliate-owned stores for the 12-month period ending December 31, 2024. One (1) affiliate-owned store was closed for renovations for more than forty (40) days in the 12-month period ending December 31, 2024, and this location is not included. EBITDA means earnings before interest, taxes, depreciation, and amortization. Thus, EBITDA means net sales (gross sales less promotional discounts, as on Table 1), less expenses other than interest, taxes, depreciation, and amortization, and less cost of goods (as on Table 1). Table 2 provides historical financial performance data based on the sales of one hundred forty (140) franchised stores for the 12-month period ending December 31, 2024. Table 3 provides adjusted EBITDA for franchised units, based on our estimate of the cost differentials between affiliate-owned and franchised stores.

A total of one hundred fifty-two (152) outlets were in operation throughout the fiscal year ending December 31, 2024. Of those, eleven (11) were affiliate-owned outlets and one hundred forty-one (141) were franchised outlets. Item 19 does not include data from the 22 franchised locations that opened after the start of the 2024 fiscal year. One of the three franchised locations that was transferred in 2024 is not included in this Item 19 because the location was closed for about four months before opening under new ownership. One (1) franchised outlet that operated throughout the 12-month period ending December 31, 2024 differs in kind from all the others, by not having a drive thru, and is not included. Figures from the two (2) franchised locations that closed in 2024 are also not included in this Item 19. For details of these closures, see the end of Item 20.

We present EBITDA exclusive of owner income and owner expenses, such as owner travel expenses or owner use of a company car. We do not treat these as expenses a franchisee should expect to incur for purposes of this Item 19. Expenses for bookkeeping, payroll and accounting are likewise excluded. Our affiliate locations retain part-time district managers to manage their operations, but as a franchisee you should not expect to employ a district manager, so this expense is excluded. As our franchisee, you will choose how you treat owner expenses (if any) and how to account for and pay any tax on owner income from your outlet.

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