

FRANCHISE AGREEMENT		
PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
r. Non-competition covenants after the franchise is terminated or expires	Section 17.2.3	You and your Principals for two years after expiration or termination may not (a) directly or indirectly own, manage, engage in, be employed in a managerial position by, advise, make loans to, or have any other interest in any Competitive Business that is (or is intended to be) located within the Protected Area and within 10 miles of any Cafe that is operating or under development at the time of such expiration, termination, or Transfer; or (b) sell, assign, lease or transfer the Franchised Location to any person or Entity that you know, or have reason to know, intends to operate a Competitive Business at the Franchised Location.
s. Modification of the agreement	Section 8.1 and 26	No modification generally without signed agreement, but we may modify the System and the Manual.
t. Integration/ merger clause	Section 26	Only the terms of the Franchise Agreement, the Manual, the documents referred to in and the attachments to the Franchise Agreement are binding. Nothing in the Development Agreement or any related agreement is intended to disclaim the express representations made in this disclosure document and its exhibits.
u. Dispute resolution by arbitration or mediation	Section 27.1	Subject to state law, either party may submit a claim arising out of the Franchise Agreement to non-binding mediation; however, the parties will not be required to pursue mediation of any claim as a prerequisite to commencing legal proceedings.
v. Choice of forum	Section 27.3	Subject to state law, you and we can only file suit where our principal offices are located at the time suit is filed (currently, Texas).
w. Choice of law	Section 27.2	Subject to state law, Texas law applies.

## **ITEM 18 PUBLIC FIGURES**

We currently do not use any public figure to promote the sale of our franchises.

## **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 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.

We do 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, 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 Erin Hasselgren, Chief Operating Officer, Best Cafe - Franchises, LLC, 13355 Noel Road, Suite 1645, Dallas, Texas 75240 or (972) 644-9494, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1**  
**Systemwide Outlet Summary**  
**For years 2022 to 2024**

Outlet Type	Year	Outlets at Start of Year	Outlets at End of Year	Net Change
Franchised	2022	44	39	-5
	2023	39	37	-2
	2024	37	32	-5
Company-Owned	2022	105	97	-8
	2023	97	67	-30
	2024	67	67	0
Total Outlets	2022	149	136	-13
	2023	136	104	-32
	2024	104	99	-5

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)**  
**For years 2022 to 2024**

State	Year	Number of Transfers
WA	2022	1
	2023	0
	2024	0
Total	2022	1
	2023	0
	2024	0

**Table No. 3**  
**Status of Franchised Outlets**  
**For years 2022 to 2024**

State	Year	Outlets At Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of Year
CA	2022	8	0	0	0	0	0	8
	2023	8	0	0	0	0	2	6
	2024	6	0	0	0	0	2	4