

Provision	Section in the Development Agreement	Summary
t. Integration/merger clause	Sections 12.1 and 12.8	Only the terms of the Development Agreement are binding (subject to applicable state law), although if there is a conflict between the Development Agreement and any Franchise Agreement, the terms of the Franchise Agreement control, except for the Development Schedule. Any representations or promises made outside of the Disclosure Document, Development Agreement and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Sections 13.4 – 13.7	Except for claims relating to the Marks, trade secrets, confidential information and covenants not to compete, and subject to applicable state law, all disputes must be arbitrated in Santa Clara County, California.  Waiver of jury trial; punitive, exemplary or multiple damages; class action waiver. (Subject to applicable state law.)
v. Choice of forum	Section 13.2	Subject to applicable state law, any litigation must be pursued in courts located in Santa Clara County, California.
w. Choice of law	Section 13.1	Except for the Federal Arbitration Act and related federal preemption requirements, California law applies, but no California franchise law applies unless jurisdictional, definitional and other requirements of the law are met independently of this franchise term. The provisions of Sections 9.3-9.4, are subject to the laws of the state where the claimed breach occurs.

You should refer to your state's specific addendum attached to this Disclosure Document for exceptions to this ITEM 17.

#### **ITEM 18. PUBLIC FIGURES**

We do not presently 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 this 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 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 Ms. Yen Le, 660 E. Gish Road, San Jose, California 95112, (800) 640-8880, the Federal Trade Commission and the appropriate state regulatory agencies.

## **ITEM 20.      OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1**

<b>SYSTEMWIDE OUTLET SUMMARY FOR YEARS 2022 TO 2024</b>				
<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised	2022	39	46	+7
	2023	46	47	+1
	2024	47	45	-2
Company-Owned	2022	9	5	-4
	2023	5	5	0
	2024	5	5	0
Total Outlets	2022	48	51	+3
	2023	51	52	+1
	2024	52	50	-2

**Table No. 2**

<b>TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2022 TO 2024</b>		
<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
California	2022	5
	2023	3
	2024	5
Texas	2022	1
	2023	0
	2024	0
Total	2022	6
	2023	3
	2024	5