

Provision	Section in Retail Location Agreement	Summary
r Non-competition covenants after the franchise is terminated or expires	Not Applicable	
s Modification of the agreement	§23.2	Must be in writing signed by both parties.
t Integration / merger clause	§23	Only the terms of the franchise agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u Dispute resolution by arbitration or mediation	§§25.2 and 25.5	Before bringing any action in court, the parties must first submit the dispute to non-binding mediation (except that either party can go to court to seek injunctive relief).
v Choice of forum	§25.3	Subject to state law, you must bring any action against us in a federal or state court where our principal place of business is located (currently, New York). We may bring any action against you in a federal or state court where our principal place of business is located (currently, New York).
w Choice of law	§25.1	Subject to state law, the law of the State in which we maintain our principal place of business when the dispute arises (currently, New York); unless the covenants under the Retail Location Agreement would not be enforceable in that state and the ILLY Location is located outside of that state, in which case the laws of the state where the ILLY Location is located apply to those covenants.

Provision	Section in Franchise Agreement	Summary
q Non-competition covenants during the term of the franchise	§§17.2 and 17.3	Includes prohibition on engaging in a Competitive Business. A " Competitive Business " is considered to be a retail business in which the sale of brand name coffee and/or coffee related beverages and products comprise twenty percent (20%) or more of the business' Net Sales in any month.
r Non-competition covenants after the franchise is terminated or expires	§17.3	Includes a 2 year prohibition similar to "q" (above), within 1 mile of your ILLY Location, or any other ILLY Location then operating under the System, with the exception of " Excluded Existing Businesses " listed on Exhibit A to the Franchise Agreement.
s Modification of the agreement	§23.2	Must be in writing signed by both parties.
t Integration /merger clause	§23	Only the terms of the franchise agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u Dispute resolution by arbitration or mediation	§§25.2 and 25.5	Before bringing any action in court, the parties must first submit the dispute to non-binding mediation (except that we can go to court to seek injunctive relief).
v Choice of forum	§25.3	Subject to state law, you must bring any action against us in a federal or state court where our principal place of business is located (currently, New York). We may bring any action against you in a federal or state court where our principal place of business is located (currently, New York).
w Choice of law	§25.1	Subject to state law, the law of the State in which we maintain our principal place of business when the dispute arises (currently, New York); unless the covenants under the Franchise Agreement would not be enforceable in that state and the ILLY Location is located outside of that state, in which case the laws of the state where the ILLY Location is located apply to those covenants.

Provision	Section in Development Agreement	Summary
l Our approval of transfer by you	§7.2	We have the right to approve transfers.
m Conditions for our approval of transfer	§7.2	Payment of a transfer fee, transferee's execution of the then-current form of development agreement, transferor's execution of general releases, and others.
n Our right of first refusal to acquire your business	Not Applicable	
o Our option to purchase your business	Not Applicable	
p Your death or disability	Not Applicable	
q Non-competition covenants during the term	§§8.2 and 8.3	Includes prohibition on engaging in a Competitive Business. A " Competitive Business " is considered to be a retail business in which the sale of brand name coffee and/or coffee related beverages and products comprise twenty percent (20%) or more of the business' Net Sales in any month.
r Non-competition covenants after the franchise is terminated or expires	§8.3	Includes a 2 year prohibition similar to "q" (above) located within the Development Area, with 3 miles of the Development Area, and within 1 mile of any ILLY Location then-operating under the System, with the exception of " Excluded Existing Businesses " listed on Exhibit A to the Development Agreement.
s Modification of the agreement	§13	Must be in writing signed by both parties.
t Integration / merger clause	§13	Only the terms of the franchise agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u Dispute resolution by arbitration or mediation	§§15.2 and 15.5	Before bringing any action in court, the parties must first submit the dispute to non-binding mediation (except that we can go to court to seek injunctive relief).