FRANCHISE DISCLOSURE DOCUMENT

CSGB Franchising LLC,
an Ohio limited liability company
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(330) 807 - 1095

This Franchise Disclosure Document (the "Disclosure Document") provides information regarding the establishment and operation of "CSG&B", Coastal Swing Golf & Bar ("Franchised Business"), an indoor golf entertainment facility, consisting of two lines or services: a golf simulator and a bar. The experience will center around the use of golf simulators which provides an opportunity for customers to play golf indoors on a simulator machine. The customers will range from avid golf enthusiasts to first-time golfers seeking a fun experience. The customers will be offered a full bar, without restaurant services. The customers will be allowed to order take-out food to be delivered to the Franchised Business and consumed on the premises.

The total investment necessary to begin operation of a Franchised Business is from $479,800 to $832,500. This includes $50,000 (Franchise Fee + Opening Support) that must be paid to CSGB Franchising LLC ("Franchisor") or its designated affiliate. This Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least fourteen (14) calendar days before you sign a binding agreement with, or make any payment to, the Franchisor or an affiliate in connection with the proposed franchise sale. Note, however, that no governmental agency has verified the information contained in this document.

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Daniel Halley at dan@csgbfranchising.com

The terms of your contract will govern your franchise relationship. Don't rely on the Disclosure Document alone to understand your contract. Read all of the agreements and documents carefully and in their entirety. Show this Disclosure Document as well as all of the documents and materials you received from the Franchisor to your advisors, like attorneys or accountants.

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1–877–FTC–HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at *www.ftc.gov* for additional information. Call your state agency or visit your public library for other sources of information on franchising. There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: February 16, 2026

HOW TO USE THIS FRANCHISE DISCLOSURE DOCUMENT

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits, or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits H and I.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit A includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only CSG&B business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the Franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a CSG&B franchisee?	Item 20 or Exhibits H and I list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

WHAT YOU NEED TO KNOW ABOUT FRANCHISING *GENERALLY*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

SOME STATES REQUIRE REGISTRATION

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit E.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

SPECIAL RISKS TO CONSIDER ABOUT *THIS* FRANCHISE

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation and/or arbitration only in Ohio. Out-of-state mediation and/or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Ohio than in your own state.

2. **Short Operating History.** The franchisor is at an early stage of development of its franchise operation. This franchise may be a riskier investment than a franchise with a longer operating history.

3. **Minimum Payments.** You must make royalty or marketing fund payments, regardless of your sales levels. Your inability to make the payments may result in the termination of your franchise and loss of your investment.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

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ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this Disclosure Document, "Costal Swing", "Franchisor", "we" or "us" shall mean CSGB Franchising LLC. "You" or "Franchisee" means the person who buys the franchise from CSGB Franchising LLC. If you are a corporation, partnership or limited liability company, your owners will have to guarantee your obligations and be bound by the provisions of the franchise agreement and other agreements as described in this Disclosure Document.

We organized as an Ohio limited liability company on August 15, 2025. Our story begins with Coastal Swing, LLC, which was formed on May 19, 2019, and opened its doors as our first and original location at 1871 NE Catawba Road, Port Clinton, Ohio, 43452. Thereafter, Coastal Swing opened at 1005 E. Strub Road, Sandusky, Ohio 44870 (Coastal Swing Two, LLC, formed on March 16, 2021), and at 35 Monroe Street, Tiffin, Ohio 44883(Coastal Swing Three, LLC, formed on May 18, 2023). We are currently working on opening our fourth location at 1000 W State St, Fremont, OH 43420. All of the locations operate under a license agreement from Coastal Swing, LLC. All of the intellectual property is currently owned by Coastal Swing, LLC.

We are located at 1871 NE Catawba Rd, Port Clinton, OH 43452. We conduct business under our corporate name and Coastal Swing or CSG&B. Our principal business address is 1871 NE Catawba Rd, Port Clinton, OH 43452 and our telephone number is (330) 807-1095. Our agent for service of process is MGGM Service Corporation, located at 1001 Lakeside Avenue, Suite 1400, Cleveland, Ohio 44114. Our agents for service of process in other states are disclosed in Exhibit G.

We have offered franchises for CSG&B since January 2026. We have not offered franchises in any other line of business. We have no other affiliates or predecessors.

The Franchise Offered

Under this Disclosure Document, we offer franchises under "CSG&B" name (referred to in this Disclosure Document as the "Franchised Business") using our distinctive operating procedure and standards in a specific territory and from a single approved location.

CSG&B is a franchise for an indoor golf simulator and beverages services from a bar. Our model is limited to the provision of only these services and does not provide or allow any on-site food services.

You will operate a CSG&B Business according to the terms of our franchise agreement in the form attached as Exhibit C to this Disclosure Document (the "Franchise Agreement"). Under our Franchise Agreement, you must use our distinctive business formats, methods, rules, procedures, designs, layouts, standards, and specifications, all of which we may modify periodically ("System"). You also must use our trademarks, service marks, trade names, logos, trade dresses and other commercial symbols we designate periodically for CSG&B Businesses (collectively, the "Marks"). We can add, eliminate, modify or substitute any of the Marks at any time, in our sole discretion.

Under the Franchise Agreement, you will receive the right to use the Marks and System to operate your CSG&B Business at a site selected by you and approved by us (the "Premises"). We may, in our discretion, offer to you the right to enter into an Area Development Agreement (the "Area Development Agreement"), under which you would agree to acquire, develop and operate a specified number of CSG&B Businesses according to a specified mandatory development schedule within a specifically described geographic territory. Our current form of Development Agreement is attached as Exhibit D to this Disclosure Document. You will be required to sign a Franchise Agreement for each new location (which may be different from the form attached).

You must operate CSG&B Business in compliance with confidential operations manual, which consists of the materials, including, without limitations, audiotapes, videotapes, magnetic media, computer software and written materials (the "Operations Manual"). Your CSG&B Business must meet our specifications as to exterior and interior decor, furniture, logos, and equipment, including golf simulator bays and related technology. CSG&B Business must have the managers and personnel in sufficient numbers as necessary to promptly, efficiently and effectively service customers.

Prior to opening your CSG&B business, you are required to purchase from GOLFZON a minimum of three (3) complete golf simulator systems that will be used in the operation of your business, all of which we will approve prior to ordering. You will be required to obtain (at minimum) Beer and Liquor license, which regulations depend on each state.

The general market for CSG&B is for all ages and the levels of experience. The customers will range from golf enthusiasts to first-time golfers looking to learn about the game. The business is entertainment based. The golf market is highly developed. The market for entertainment venues with golf simulators is highly competitive. Sales can be somewhat seasonal, depending on climate.

Industry-Specific Regulations

It is your sole obligation to research all applicable federal, state and local laws and regulations governing the operation of your CSG&B Business. You must comply with existing laws, regulations, and ordinances that apply generally to all businesses, such as the Americans with Disabilities Act, federal wage and hour laws and state law equivalents, the Affordable Care Act, the Occupational Safety and Health Act, anti-terrorism and anticorruption laws (such as the Patriot Act and the Foreign Corrupt Practices Act), and data protection and privacy laws (such as credit card protection under the U.S. Fair and Accurate Credit Transactions Act, or "FACTA").

You should consider that certain aspects of the bar business are regulated by federal, state and local laws, rules and ordinances. The U.S. Food and Drug Administration, the U.S. Department of Agriculture, as well as state and local departments of health and other agencies have laws and regulations concerning the sale or service of alcohol. To operate the Franchised Business, you will be required to obtain a liquor license. State and local laws, regulations and ordinances vary significantly in the procedures, difficulty and cost associated with obtaining a license to sell liquor, the restrictions placed on the manner in which liquor may be sold, and the potential liability imposed by dram shop laws involving injuries, directly and indirectly, related to the sale of liquor and its consumption. You will need to understand and comply with those laws in operating the Franchised Business. State and local agencies routinely conduct inspections for compliance with these requirements.

State and local laws may also include such things as staffing, requiring certain medical equipment in CSG&B Business (such as automated external defibrillators (AEDs)). Other regulations may apply to site location and building construction. You must know the laws and regulations applicable to your CSG&B Business and ensure that you and your employees comply with all such laws and regulations. You should consult with your own professional advisors, such as an attorney and accountant, regarding applicable laws and regulations.

ITEM 2

BUSINESS EXPERIENCE

Daniel Halley is the founder, initial owner and manager of Coastal Swing businesses since 2019.

Since the first location opened, he has overseen the openings of three additional locations in Sandusky, OH (2021), Tiffin, OH (2023), and Fremont, OH (2025).

ITEM 3

LITIGATION

We have no litigation to disclose in this Item.

ITEM 4

BANKRUPTCY

We have no bankruptcy to disclose in this Item.

ITEM 5

INITIAL FEES

Initial Franchise Fee: You must pay us an initial franchise fee of $40,000 (the "Initial Franchise Fee"). The entire fee is due and payable when you sign the Franchise Agreement. The Initial Franchise Fee is not refundable.

Opening Support Fee: You must pay us an opening support fee of $10,000 (the "Opening Support Fee"). The entire fee is due when you sign the Franchise Agreement. The Opening Support Fee is not refundable. It covers the costs of the assistance we provide in your market leading up to your opening.

Opening Deadline Extension Fee: You must open for business within 12 months after signing your Franchise Agreement. For each 30-day period that you are not open beyond the opening deadline, we will charge $5,000 per month for each of the first six months, and thereafter $10,000 per month (unless the delay is due to a longer processing time of liquor license (or its equivalent). We reserve the right to waive the fee if the delay is due to circumstances beyond your control.

Development Fee: If we elect to enter into a Development Agreement with you, you must pay us a development fee (the "Development Fee") according to the number of the franchise locations you agree to develop. The Development Fee is calculated as the sum of: (i) $40,000 for the first franchise location required to be opened under the Development Agreement; (ii) $30,000 for the second franchise location required to be opened under the Development Agreement; and (iii) $20,000 for the third and each subsequent franchise location required to be opened under the Development Agreement. The Development Fee is paid as set forth in the Development Agreement and is not refundable.

Project Management Fee: You must pay us a project management fee in the amount of Two Thousand Five Hundred Dollars ($2,500), in connection with the management services with respect to the construction and buildout of your franchise. This fee is not refundable.

Veteran Program: We will discount the amount off 10% off of either your Initial Franchise Fee or your total Area Development Fee if you are a veteran of the United States Armed Forces and provide the necessary documentation to verify that you are a retired or honorably discharged veteran.

We reserve the right to negotiate, change, waive or eliminate the initial fees stated above in unique or special situations as we deem it appropriate under the circumstances.

ITEM 6

OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	7% of Gross Revenues per month	5^{th} day of each month for the preceding month	See Notes 1 and 2. We have the right to increase the Royalty Fee based on inflation and other market factors upon three (3) month notice. If Franchisee is the first Franchised Business opened in the state, it will pay the reduced Royalty Fee during the first two years of its operation (see Note 2 below).
Marketing Fund	1 % of Gross Revenues per month	5^{th} day of each month for the preceding month	See Notes 2 and 3.
Local Marketing Requirement	$1,500 per month	Monthly	See Notes 3 and 4.
Local Advertising Cooperative	To be determined	Not currently assessed	We may require you to participate in such a cooperative, if it is formed. We reserve the right to collect your local advertising cooperative contributions on behalf of the local advertising cooperative. Currently, it is not formed. In the event it is formed, CSG&B Businesses located within a certain area will contribute to the cooperative on the same basis on which you contribute.
Site Selection Area Change Request Fee	$1,000	As incurred	If you request us to help select area or change your site selection area.
Management Fee	10% of Gross Revenues per month,	Monthly, as incurred	Payable only if we assume the management of your franchise due to your death,

	plus out of pocket costs and expenses		disability, abandonment of the franchise or failure to cure defaults under any agreement with us.
Inspection/Audit Expenses	The cost of inspection or audit (including our travel expenses, legal and accounting fees)	On demand.	Payable only if inspection or audit shows that any financial information delivered by you to us is inaccurate (the difference is more than 3%).
Additional Training Fee	For each additional individual to attend the initial training program: $500 per person per day.	As incurred	See Note 5.
Insurance Fee	Amount of premium plus administrative fee equal to 3% of premium	On demand	Payable if you fail to maintain required insurance coverage and we elect to obtain coverage for you.
Renewal Fee	50% of our then-current Initial Franchise Fee	When signing Renewal Agreement	Payable if you renew your Franchise agreement.
Interest	19% of the delinquent amount or the highest amount permitted by law for each month the payment remains delinquent.	Continues to accrue until paid	Payable only if any sums due to us are not paid when due.
Insufficient Funds Fee	$100 per occurrence	As incurred	Owed if checks returned or ACH requests declined due to insufficient funds.
Non-Compliance Fee	$1,000 for the third violation; $5,000 for the forth violation and any violation thereafter	As incurred	Owed upon the violation of any agreements with us
Transfer Fee	$7,500, plus any third-party fees (including broker and legal fees)	As incurred, before transfer	Payable if you transfer/assign your franchise to the approved transferee/assignee (as a condition to the approval of a transfer).

Transfer Fee (Area Development)	$7,500 per territory	As incurred	Payable as a condition to the approval of a transfer.
Annual Conference Fee	Not currently assessed.	At the time of registration.	We have the right to organize and host an annual conference and/or convention for our system franchisees and require that you and your management personnel attend. When established, we estimate that the registration fee will be $1,000 per attendee.
Remodel Fee	$2,500	As incurred	You must reimburse the expenses we incur for our review of your proposed remodeling and final walk-through of the premises once the remodel is complete.
Relocation Fee	$7,500	As incurred	You are not granted the right to relocate your franchise business; however, if you request our approval of a relocation, we will charge you a fee for our review and approval of your request. The amount shown is the current fee we expect to charge, but it is subject to change.
Vendor or Equipment Testing Fee	$1,000 (estimate)	As incurred	If you ask us to approve, and we agree to evaluate, a specific vendor or non-compliant or non-sanctioned equipment, we may require you to reimburse us the costs we incur in evaluating that vendor or equipment, currently estimated to be between $1,500 evaluation.
Indemnification	Varies under circumstances	On demand	You must indemnify us and our affiliates from liability for any claim based on or arising from your operation of the franchised business.

Costs and Attorneys' Fees	Varies under circumstances	On demand	Payable if you do not comply with any agreement with us.
Liquidated Damages	Varies under circumstances	On demand	Payable if you do not comply with any agreement with us and there is an award or judgment with respect to the same.
Additional Assistance	Then current charge. We currently charge $250 per hour.	When billed	At your request, we may provide additional advice and assistance to you. We may establish fees for various services we make available to you.

Note 1. Except as specifically mentioned, all fees are payable to us, and except as described above, all fees are non-refundable and are uniform for franchises currently being offered in this state.

Note 2. "Gross Revenue" means all income or revenue of the CSG&B Business, including the revenue generated from the sale of all products and services offered at or from the CSG&B Business location, and all other income or revenue of any kind and nature related to, derived from, or originating from the CSG&B Business (whether these sales are permitted or not) and proceeds of any business interruption insurance policies, whether any of the products or services are sold for cash, check, or credit, and regardless of collection in the case of check or credit less (i) any returns or refunds and/or (ii) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in Gross Revenue. Gross Revenues include all dollars received regardless of whether for goods or services (such as gift cards). Gross Revenues shall also include the fair market value of any services or products received by you in barter or in exchange for its services and products.

If Franchisee is the first Franchised Business opened in the state, it will pay the reduced Royalty Fee in the following amounts: 5% of Gross Revenues per month during the first year of operations; 6% of Gross Revenues per month during the second year of operations; and thereafter, 7% of Gross Revenues per month.

Note 3. Your required contribution to the Marketing Fund is in addition to the amount you must spend on local advertising of your Franchise Agreement. The Marketing Fund is used to promote CSG&B business and brand generally. We reserve the right to increase your required contributions to the Marketing Fund up to 2% of your Gross Revenues.

Note 4. You must begin paying your Local Marketing Requirement at least three (3) months prior to opening your CSG&B Business. We reserve the right to approve or disapprove any marketing materials used. We may require you provide us with monthly reports detailing your local advertising expenditures.

Note 5. Payable only if (i) you request to bring more than two (2) individuals to attend the initial training program.

ITEM 7

ESTIMATED INITIAL INVESTMENT

	EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
1.	Initial Franchise Fee	$40,000	Lump Sum	Upon signing of Franchise Agreement	Us
2.	Opening Support Fee	$10,000	Lump Sum	Upon signing of Franchise Agreement	Us
3.	Local Marketing Requirement - Pre-Open 3 Months	$3,000	As arranged	Before opening	Suppliers and us
4.	Net Leasehold improvements	$100,000 - $175,000	As arranged	As invoiced	Suppliers
5.	Architecture, Engineering, and Design Fees	$10,000 - $20,000	As arranged	As invoiced	Suppliers
6.	Project Management Fee	$2,500	As arranged	As invoiced	Us
7.	Signage	$5,000 - $10,000	As arranged	As invoiced	Suppliers
8.	Furniture, Fixtures, Equipment	$25,000 - $30,000	As arranged	As invoiced	Suppliers
9.	GOLFZON Golf Simulators	$223,000 - 446,000	As arranged	As invoiced	Suppliers
10.	GOLFZON Golf Simulator Software and Licenses – 3 months	$1,800 - $4,000	As arranged	As invoiced	Suppliers
11.	Opening Inventory and Supplies	$5,000 - $7,500	Lump Sum	As invoiced	Supplier
12.	Point of Sale System and Required Software – 3 months	$2,500 ** two (2) iPads plus nec. Equipment	As arranged	As invoiced	Supplier
13.	Training Expenses	$2,500	As arranged	As incurred	Us
14.	Lease Deposit, Rent – 3 months	$15,000 - $30,000	As arranged	As incurred	Landlord

15.	Professional Fees, Permits, and Licenses	$3,000 - $7,500	As invoiced	As incurred	Suppliers
16.	Insurance Premium 3 months	$1,500 - $2,000	As invoiced	As invoiced	Supplier
17.	Additional Funds (3 months)	$30,000 - $40,000	As invoiced	As incurred	Supplier and Employees
	TOTAL ESTIMATED INITIAL INVESTMENT	$479,800 - $832,500			

Notes:

Generally:

These amounts are the minimum recommended levels to cover operating expenses, including employees' salaries for 3 months. However, we cannot guarantee that this amount will be sufficient. Additional working capital may be required if sales are low or fixed costs are high. The disclosure laws require us to include this estimate of all costs and expenses to operate your franchise during the "initial phase" of your business, which is defined as a 3-month or longer period if "reasonable for the industry." In the event you open your Franchised Business during the warmer months of the year, when you may see lower customer numbers, then the initial phase may extend beyond the 3-month projected period.

We have prepared these estimates based on our experience opening Coastal Swing businesses. The payments described above that are payable to us are not refundable. We are not able to represent whether or not amounts that you pay to third parties are refundable. Except as expressly indicated otherwise in the charts above, these estimates describe your initial cash investment up to the opening of your Franchised Business. They do not provide for your cash needs to cover any financing incurred by you or your other expenses. You should not plan to draw income from the operation during the start-up and development stage of your Franchised Business, the actual duration of which will vary materially from store to store and cannot be predicted by us for your Franchised Business (and which may extend for longer than the 3 month "initial phase"). You must have additional sums available, whether in cash or through a bank line of credit, or have other assets which you may liquidate or against which you may borrow, to cover other expenses and any operating losses you may sustain, whether during your start-up and development stage, or beyond. The amount of necessary reserves will vary greatly from franchisee to franchisee and will depend upon many factors, including the rate of growth and success of your Franchised Business, which in turn will depend upon factors such as the demographics and economic conditions in the area in which your Franchised Business is located. Because the exact amount of reserves will vary from operation to operation and cannot be meaningfully estimated by us, we urge you to retain the services of an experienced accountant or financial advisor to develop a business plan and financial projections for your particular operation.

Notes with respect to specific Sections:

1. Initial Franchise Fee. The initial franchise fee is described in greater detail in Item 5.

2. Opening Support Fee. The initial franchise fee is described in greater detail in Item 5.

3. Local Marketing Requirement- Pre-Open (3 Months). You must conduct an initial marketing campaign that we approve and expend a minimum amount of $1,000 per month on such marketing campaign prior to opening your CSG&B Business. We reserve the right to collect this amount and spend it on your behalf (See Item 11).

4. Net Leasehold Improvements. We anticipate that the average franchised CSG&B business will typically be located in commercially zoned retail areas and be between approximately 3,000 to 4,000 square feet in size (the minimum is 2,500). The typical size of a CSG&B Business must accommodate a minimum of three (3) golf simulators and a full-service bar. The range above assumes that you will receive tenant improvement allowances in an amount between $20 to $40 per square feet. A landlord's willingness to provide tenant improvement allowance varies and may be based on factors such as the condition of the premises, the creditworthiness and financial statements of the tenant and the term of the contemplated lease. If your landlord does not provide any tenant improvement allowance, your costs may be higher. Your actual costs may vary considerably depending on the size of the premises you lease for the CSG&B Business, the cost of financing and other local conditions, including labor, material costs, and local government requirements. Local governments and agencies typically charge you fees for such things as construction permits and operating licenses. Costs may vary based on the requirements of local government agencies. These costs are typically not refundable.

5. Architecture, Engineering, and Design Fees. You must use our designated supplier(s) to conduct an architectural and structural review of your premises prior to commencing construction on the premises of your CSG&B Business. The low end of this estimate assumes your city or municipality will not require a review by a professional engineer.

6. Project Management Fee. You must pay us a Project Management Fee in connection with consulting services regarding construction or remodeling of the premises of your CSG&B Business. This fee is described in more detail in Item 5.

7. Signage. You must obtain and install (at your expense) all interior and exterior signage that we
require as specified in our Operations Manual or otherwise in writing.

8. Furniture, Fixtures, and Equipment. You are required to purchase certain furniture, fixtures, and equipment that we specify for the operation of your CSG&B Business, all of which is specified in the Operations Manual. We have the right to designate suppliers from which you must purchase such furniture, fixtures, and equipment. The low end of this estimate assumes that your CSG&B location will feature three (3) golf simulator bays, while the high end of this range assumes that you will feature six (6) golf simulator bays (the maximum allowable under our form of franchise agreement, unless otherwise approved in writing by us).

9. Golf Simulators. You must purchase a minimum of three (3), or a maximum of six (6) complete golf simulator systems for the operation of your CSG&B Business from GOLFZON. We will review and approve any purchase order before placing it with GOLFZON. The estimate range disclosed above assumes that you will elect to purchase and install three (3) golf simulators in your CSG&B Business. If you elect to provide additional simulator bays at the premises of your CSG&B Business, each additional simulator system costs approximately $75,000. The low end of this estimate range assumes that you will qualify for and obtain financing for the purchase and installation of three (3) simulators, while the high end of the estimate range assumes that you will purchase the hardware systems for three (3) simulators outright. We do not provide financing for the purchase of the golf simulator systems (or financing of any kind), but we may designate approved suppliers for such financing in the future.

10. Golf Simulator Software and Licenses (3 months). You must license the software required for the operation of the golf simulator systems from our designated and approved third-party supplier. This estimate assumes that you will feature three (3) simulators; if you elect to install and operate six (6) simulators at your CSG&B Business, the required software for such additional simulators is estimated to cost $200 per month per simulator.

11. Opening Inventory and Supplies. This includes beer, liquor, non-alcoholic drinks, and snacks for the bar as well as physical gift cards, etc. Opening inventory of products and supplies will vary based on your expected volume of business, the size of your Franchised Business, and the size of any storage areas in the Franchised Business.

12. Computer System and Required Software – (3 months). We require you to use QuickBooks for accounting and Square for POS System and payroll services.

13. Training Expenses.

14. Lease Deposit, Rent (3 months).

15. Professional Fees, Permits, and Licenses. You will need to obtain from the state in which you operate the Franchised Business a license for the on-premises sale of alcoholic beverages. You will obtain other necessary permits and licenses directly from government authorities or through your contractors. You are solely responsible for all required permits and licenses. Depending on the state in which you are located, the expected investment can be much higher than the estimated amount.

16. Insurance. The estimated cost of annual premiums for the policies required by the Franchise Agreement will vary significantly based on your location, and the claims experience of commercial businesses in the area, as well as your claims experience in other businesses you operate. The figures quoted assume deposits for three months' coverage.

17. Additional Funds (3 months).

YOUR ESTIMATED INITIAL INVESTMENT
DEVELOPMENT RIDER

	EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
1.	Development Fee	\$40,000 for 1st \$30,000 for 2nd \$20,000 for 3rd and others	Lump Sum	As set forth in Development Agreement	Us
TOTAL: at least \$40,000					

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

All products and services offered for sale at the franchised business must meet our standards and specifications, as established in the Operations Manual or otherwise in writing.

You must purchase all food items, supplies, materials, and other products and equipment used or offered for sale at the franchised business for which we have established standards or specifications solely from suppliers (including manufacturers, distributors and other sources) which demonstrate the ability to meet our standards and specifications, who possess adequate quality controls and capacity to supply your needs promptly and reliably, and who have been approved by us.

If you desire to purchase products from a party other than an approved supplier, you must submit to us a written request to approve the proposed supplier, together with evidence of conformity with our specifications as we may require. You must pay the reasonable costs of the evaluation and testing of the proposed supplier. We will use our best efforts, within 30 days after our receipt of your completed request and completion of all required evaluation and testing, to notify you of our approval or disapproval of the proposed supplier. Approval is not guaranteed and can be withheld. You may not sell or offer for sale any products of the proposed supplier until our written approval of the proposed supplier is received. We may at any time revoke our approval of particular products or suppliers when we determine, in our sole discretion, that such products or suppliers no longer meet our standards.

You must obtain Beer and Liquor license (or any other license required by State to operate CSG&B Business) and have it in hand to use prior to doors opening for the franchise business. Liquor laws vary by state. We cannot estimate or guarantee the costs or timelines associated with different states.

Food offerings will not be permitted in CSG&B. Certain packaged items, such as snack bags (chips/pretzels, etc.) will be permitted. It is permissible to allow customers to order food from approved restaurants for delivery and consumption on the premises. You are encouraged to build relationships with restaurants nearby.

ITEM 9

FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

Obligation	Article/Section in Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	3.1, 3.2, Exhibits A and G	Items 6, 11, and 12
b. Pre-opening purchases/leases	4.1	Items 5, 6, 7, 8 and 11
c. Site development and other pre-opening requirements	3.3, 4.1, and Exhibit A	Items 5, 6, 7 and 11
d. Initial and ongoing training	7.2	Items 6, 7, 8 and 11
e. Opening	4.1	Item 11
f. Fees	4.8, 4.11, Article 5, 6.2(d), 7.2(a), 7.2(c)(iii), 11.4(k), 11.5(b), and 15.4	Items 5 and 6
g. Compliance with standards and policies/Manuals	2.2, 3.3, 4.20, 4.23, 5.9, 7.2, 9.1, and Article X	Items 11
h. Trademarks and proprietary information	Article IX	Items 13 and 14
i. Restrictions on products/services offered	4.7	Items 8 and 16
j. Warranty and customer service requirements	Not Applicable	Item 8
k. Territorial development	3.3	Item 12
l. Ongoing product/service purchases	7.2(b)	Items 6 and 8
m. Maintenance, appearance and remodeling requirements	3.3(c), 3.4, 6.2(b), and 11.4(j),	Items 8 and 11
n. Insurance	4.11	Items 6
o. Advertising	4.10, 7.4, and 7.5	Items 6, 8, and 11
p. Indemnification	4.16, 11.4, and Article IX	Item 6
q. Owner's participation/management/staffing	4.14	Items 1, 11, and 15
r. Records and reports	4.12 and 5.13	Item 6
s. Inspections and audits	4.12	Items 6, 8, and 11

t. Transfer	Article XI	Items 6 and 17
u. Renewal or Extension of Rights	6.2	Items 6 and 17
v. Post-termination obligations	12.2	Items 6 and 17
w. Noncompetition covenants	12.3	Item 17
x. Dispute resolution	15.7	Items 6 and 17

ITEM 10

FINANCING

Neither we nor our affiliates or agents offer you, directly or indirectly, any financing arrangement, including loans, guarantees, leases and installment contracts. We do not guarantee any note, lease, or obligation on your behalf.

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as listed below, we are not required to provide you with any assistance.

(A) Pre-Opening Obligations

As set forth in the Franchise Agreement, we will provide certain assistance for you. Before the Franchised Business opens, we will:

1. Approve or disapprove each site that you propose according to our general criteria for selection of CSG&B site. (Franchise Agreement, Section 3.1).
2. Make available to you (a) standard architectural plans for the Franchised Business, including exterior and interior design and layout, and (b) specifications for fixtures, furnishings and signs (Operations Manual).
3. Review and approve the lease (Franchise Agreement, Section 3.2).
4. Designate the Territory and if you sign a Development Agreement, designate the area in which you develop and operate additional CSG&B Businesses.
5. Provide initial training for you and your managers (Franchise Agreement, Sections 7.2(a)).
6. Provide such on-site, pre-opening and opening assistance as we deem appropriate in our sole discretion (Franchise Agreement, Article VII).
7. Make available to you advertising and promotional materials at your expense (Franchise Agreement, Sections 7.3).
8. Loan you one copy of our Operations Manual or make it available to you through a password protected website (Franchise Agreement, Sections 7.1).
9. Provide information and specifications with respect to required equipment, inventory, furniture, fixtures and signs, marketing materials and supplies, and lists of approved suppliers or vendors. (Operations Manual).
10. Advise you on advertising program. (Franchise Agreement, Section 7.4 and 7.5)

(B) Length of Time to Open

The typical length of time between signing the Franchise Agreement and the opening of your business is six (6) to ten (10) months. Factors that may affect the time period include your ability to obtain a lease, obtain financing, obtain business permits and licenses, develop and construct your location, and hire employees. You must have a lease signed for your location within six (6) months after signing your Franchise Agreement. Your CSG&B Business must open for business within twelve (12) months after signing your Franchise Agreement.

(C) Continuing Obligations

After the Franchised Business opens, we will:

1. Make available to you advice and assistance on the proper implementation of the system and operation of the Franchised Business (Franchise Agreement, Article VII).

2. Make available to you advertising and promotional materials at your expense (Franchise Agreement, Sections 7.3, 7.4, and 7.5).

3. Review and approve advertising materials that you develop. (Franchise Agreement, Section 4.10).

4. Designate or approve vendors and suppliers (Franchise Agreement, Section 4.8, Operations Manual).

4. Maintain and administer a Marketing Fund, as further described below (Franchise Agreement, Section 7.4).

5. Continue to provide access to Operations Manual (Franchise Agreement, Sections 7.1).

6. Inspect your CSG&B Business and observe its operations to help you comply with the Franchise Agreement and the System (Franchise Agreement, Sections 4.12 and 7.3).

(D) Operations Manual

In order to protect our reputation and goodwill and to maintain high standards of operation under the System, you must operate the Franchised Business in accordance with the standards, methods, policies, and procedures specified in our Operations Manual, which will be loaned to you for the term of the Franchise Agreement once you complete the initial training program to our satisfaction. The Operations Manual may consist of multiple volumes of printed text, computer disks, other electronically stored data, DVDs, and/or videotapes. We may provide a portion or all of the Manual (including updates and amendments), and other instructional information and materials, in or via electronic media, including through the Internet. A copy of the Table of Contents of the Operations Manual is attached to this disclosure document as Exhibit B.

(E) Advertising

You must spend at least $1,000 on an initial, grand opening local advertising, marketing, and promotional program in the form and manner prescribed by us in the Operations Manual or otherwise in writing within thirty (30) days after the opening of the Franchised Business. (Franchise Agreement, Section 4.10).

During the remainder of the term of the Franchise Agreement, you must expend, on a monthly basis, an amount equal to 1% of Gross Revenues on local marketing, advertising, and promotion as we may, in our sole discretion, direct in the Operations Manual or otherwise in writing. (Franchise Agreement, Section 5.5)

All advertising and promotion by you (including any design, advertisement, sign, or form of publicity) must be in the media and of a type and format as we may approve, including television, print media (including yellow pages), radio, and local promotional events, must be conducted in a dignified manner, and must conform to these standards and requirements as we may specify. You are not allowed to use any advertising or promotional plans or materials unless and until you have received written approval from us. You must submit to us for our prior approval samples of all advertising and promotional plans and materials for any print, broadcast, cable, electronic, computer or other that you wish to use and that we have not prepared or previously approved. You must not use these plans or materials until they have been approved in writing by us. If you do not receive written notice of disapproval from us within fifteen (15) calendar days of the date of our receipt of these samples or materials, we will be deemed to have disapproved them. (Franchise Agreement, Section 4.10(a))

(F) Marketing Fund

You must pay to the Marketing Fund a monthly fee in the amount of 1% of your Gross Revenues. We reserve the right to increase your required contributions to the Marketing Fund up to 2% of your Gross Revenues. Your contribution to the Marketing Fund is in addition to the required grand opening and local advertising described above. (Franchise Agreement, Sections 4.10(b), 5.5, and 7.4).

We may designate a separate entity as we deem it appropriate to operate and administer the Marketing Fund. We (or our designee) will direct all programs and activities of the Marketing Fund, with the sole control over all aspects of those programs, including the concepts, materials, and media used and the placement and allocation of them (Franchise Agreement, Section 7.4). We intend the Marketing Fund to promote the recognition of the Marks. The Marketing Fund is used to meet any and all costs of maintaining, administering, directing, conducting, and preparing advertising, marketing, public relations, and/or promotional programs and materials, and any other activities which we believe will enhance the image of the System. The Marketing Fund fees paid by all franchisees may be used to cover our or our affiliate's costs and overhead as may be incurred in activities reasonably related to the direction and implementation of the Marketing Fund and advertising programs for franchisees and the System, including costs and salaries of personnel for creating and implementing advertising, promotional and marketing programs, accounting expenses, and other out of pocket expenses to third parties incurred by the Marketing Fund. The Marketing Fund is not our asset. The Marketing Fund is not a trust. We have only a contractual obligation to hold all Marketing Fund contributions for the permitted purposes described here. Except as provided in the Franchise Agreement, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Marketing Fund. Neither we nor our affiliates owe any fiduciary obligation to you for administering the Marketing Fund or any other reason. We or our affiliate are not obligated, in administering the Marketing Fund, to make expenditures for you which are equivalent or proportionate to your contribution, or to ensure that any particular franchisee benefits directly or on a pro rata basis from expenditures or activities of the Marketing Fund.

It is anticipated that all contributions to the Marketing Fund will be expended for their intended purposes during the fiscal year in which contributions are made. To the extent any contributions are not expended by the end of the fiscal year, they will be expended no later than the end of the taxable year following the year of receipt. Although we intend that the Marketing Fund will be of perpetual duration, we and our affiliates maintain the right to terminate the Marketing Fund. The Marketing Fund may not be terminated, however, until all monies in the Marketing Fund have been expended for advertising and/or promotional purposes or returned to contributors on the basis of their respective contributions. We will maintain separate bookkeeping accounts for the Marketing Fund and reserve the right to form an affiliated entity to control and administer the Marketing Fund. The Marketing Fund will not be audited. We will make available to you once a year an annual accounting of the Marketing Fund's expenditures upon written request.

(G) Website

You may not establish a separate Website for the Franchised Business unless approved by us. However, we have the right to require that you have one or more references or webpage(s), as designated and approved by us in advance, within our principal Website (currently, www.coastalswing.com). The term "Website" means an interactive electronic document contained in a network of computers linked by communications software, commonly referred to as the Internet or World Wide Web, including any account, page, or other presence on a social or business networking media site, such as Facebook, Twitter, Linked In, and on-line blogs and forums.

(H) Franchised Business Location and Lease

You must operate the Franchised Business only at the location approved by us ("Approved Location"). You are solely responsible for all costs and fees with respect to developing the Approved Location. You may not relocate the Franchised Business without our prior written approval, which we may withhold in our sole discretion.

You must begin operation of the Franchised Business within twelve (12) months after the date of the Franchise Agreement.

If the Franchised Location is not identified when the Franchise Agreement is signed, then, within sixty (60) calendar days of the date of the Franchise Agreement, you shall locate a site that satisfies the site selection guidelines provided to you by us within the "Site Selection Area" identified on Exhibit A to the Franchise Agreement. Once we have approved the Franchised Location, it will be designated as the "Premises". We will provide site selection guidelines and consultation that we deem advisable. We will conduct two on-site evaluations, as we deem necessary and appropriate and at our expense. For each additional on-site evaluation (if any), you must reimburse us for our expenses, including costs of travel, lodging and meals.

(I) Computer System

You are required to use in the operation of your CSG&B Business the integrated computer hardware and software systems that we designate or approve to ensure compliance with the System. You should purchase at least: two (2) iPads, one (1) laptop/desktop, computer, accounting, reporting system, WIFI, and system firewall. We estimate that your cost to purchase the computer system and software is between $2,000 and $3,000, depending on the size of the CSG&B Business. Acceptable hardware is available from numerous manufacturers. We have no proprietary interest in the software, and we are unaware of competing software which may perform the same functions. We estimate your cost for support services from the software provider will be about $500 per year, subject to future increases. You will be solely responsible for ongoing maintenance and upgrading of your computer systems.

We will have independent access to the business data only (customer data base, POS, sales, inventory, COGS) which is stored in your computer system. There are no contractual limitations on our right to access this information. You must have DSL with a static IP address to enable us to access this information.

At your expenses, you must establish and maintain a bookkeeping and accounting systems which conforms to our standards and specifications. Currently, you are required to use QuickBooks for recordkeeping and Square for Point of Sale System and payroll. We may change these requirements upon notice to you. (Franchise Agreement, Section 4.2, Operations Manual).

(J) <u>Initial Training Program</u>

Before opening your CSG&B Business, you and all managers of your CSG&B Business must successfully complete our initial training program. The initial training program is mandatory. Failure to complete the initial training program is a cause for termination of your Franchise Agreement (Franchise Agreement, Section 7.2).

Our initial training program consists of approximately 7 hours of training. During this period of time, we will provide on-site and remote instructions and training materials for your review and completion. The initial training program is designed to cover all aspects of the operation of your CSG&B Business. Any individual attending the training who has not signed a Franchise Agreement will be required to sign a confidentiality agreement in the form provided by us to protect our Marks and System. Our training program is conducted by Daniel Halley, the manager of Coastal Swing. You may request additional training at the end of the initial program. If we agree to provide it, you must pay the additional training fee.

The instructional materials used in the initial training program consist of our Operations Manuals and other operational materials used in Franchised Businesses. Our initial training program may change due to updates in materials, methods, manuals, and personnel, or other reasons, without advance notice to you. The subjects and time periods allocated to the subjects actually taught to a particular franchisee and its personnel may vary based on the experience of those persons being trained.

You, your managers, and other employees shall also attend such additional courses, seminars and other training programs as we may reasonably require from time to time. At your request, we will provide advice and assistance on the proper implementation of CSG&B and operation of your Franchised Business. We may impose reasonable fees for these services. Other than as described above, we do not provide any other mandatory or optional training courses.

The following is the description of our initial training program as of the date of issuance of this Disclosure Document:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours Of On-The-Job Training	Location
Introduction to System	2	1	Virtual/ On-Site
Marketing	1	0	Virtual
Simulator Operations	2	2	One-Site
Bar Operations	1	1	Virtual/ On-Site
Accounting	1	1	Virtual

ITEM 12

TERRITORY

Under the Franchise Agreement, you have a right to establish and operate one (1) CSG&B Business within a specific territory ("Territory"). Your Territory will be determined by us in our sole discretion as we consider appropriate under the circumstances and will generally be a geographic area described by attaching a map, or by reference to streets, natural boundaries or zip codes. You are required to find and obtain possession of a location for your CSG&B Business within the Territory that meets our site selection standards and our express written approval. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from competitive businesses. You are restricted from soliciting customers outside your Territory.

Except as set forth in the Development Agreement, you have no options, rights of first refusal, or similar rights to acquire additional franchises within the Territory or contiguous territories.

You must be in good standing and receive our written permission before you relocate your franchise, which permission will be granted in our sole and complete discretion.

Except as set forth below and so long as you are in compliance with the Franchise Agreement and all other agreements with us, we will not operate or grant a franchise for the operation of CSG&B in the Territory during the term of the Franchise Agreement.

We specifically reserve all rights inside and outside the Territory except those we expressly grant in the Franchise Agreement.

ITEM 13

TRADEMARKS

Under the Franchise Agreement, you will be granted the right to establish and operate CSG&B under the Marks, including Coastal Swing and such other trademarks, trade names, and service marks as we may designate as part of the System. The following mark is registered on the Principal Register of the United States Patent and Trademark Office:

MARK	REGISTRATION NUMBER	REGISTRATION DATE
Coastal Swing	6637786	February 8, 2022

We have filed all required affidavits for the Marks. There are currently no effective determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court; or any pending infringement, opposition, or cancellation proceeding, or any pending material federal or state litigation involving the Marks.

There are no agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to the franchise. We know of no superior prior rights or infringing uses that could materially affect your use of the Marks.

You may use the Marks only for the purpose of operating and advertising the Franchised Business, in accordance with our standards. You may not use the Marks in your corporate name, and every use of the Coastal Swing mark as a service mark or trade name or other identifier of the Franchised Business must be in conjunction with the suffix or other words or phrases more specifically identifying the Franchised Business in the exact format that we prescribe. You must comply with our requirements, and all requirements imposed by the jurisdiction in which you operate the Franchised Business, concerning fictitious name usage.

You must promptly notify us of any suspected unauthorized use of the Marks, any challenge to the validity of the Marks, or any challenge to our ownership of, our right to use and to license others to use, or our right to use, the Marks. We have the sole right to direct and control any administrative proceeding or litigation involving the Marks, including any settlement. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks. We will defend you against any third-party claim, suit, or demand arising out of your use of the Marks. If we, in our sole discretion, determine that you have used the Marks in accordance with the Franchise Agreement, the cost of your defense, including the cost of any judgment or settlement, will be borne by us. However, if we, in our sole discretion, determine that you have not used the Marks in accordance with the Franchise Agreement, the cost of your defense, including the cost of any judgment or settlement, will be your responsibility. In any litigation relating to your use of the Marks, you must sign all documents and do such acts as we may require to effectively carry out your defense or prosecution, including becoming a nominal party to any legal action. We will reimburse you for your out-of-pocket expenses for these acts, except to the extent that the litigation is the result of your use of the Marks in a manner inconsistent with the terms of the Franchise Agreement.

We may designate new, modified or replacement marks for your use, and require you, at your own expense, to use them in addition to or instead of any of the previously designated Marks. These requirements may include, among things, conducting business under a different trade name.

ITEM 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

There are no registered patents or copyrights material for your operation of the franchise. There are no pending patent applications that are material to the franchise.

We do, however, claim common law copyright and trade secret protection for many elements of the System, including our confidential information (which includes our trade secrets, recipes, supplier information, operational standards, advertising, marketing and brand strategy information and other information relating to the establishment and operation of CSG&B that we designate as "Confidential Information"), our trade dress, copyrighted works and any designs or processes that may in the future be subject to a patent.

You may not, and you must use your best efforts to ensure that no other person discloses or uses (except as authorized by the Franchise Agreement) any of the contents of the Manual or any other trade secrets, whether during or after the term of your Franchise Agreement.

ITEM 15

OBLIGATIONS TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

You must personally participate in the day-to-day operation of your CSG&B Business. Your day-to-day manager will be bound by certain provisions of the Franchise Agreement, including the confidentiality and non-compete provisions. Your manager need not have an equity interest in the CSG&B Business (Franchise Agreement, Section 4.14).

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Your CSG&B Business shall provide only the following services/sales: (i) golf simulator and (ii) bar services. Restaurant services are not provided and expressly prohibited. No other simulators, vending, game, audio, video, internet, other coin or currency-operated machines, or any service, product or entertainment machine of any kind are permitted in your Franchised Business without our prior written consent. (Franchise Agreement, Section 4.7)

We have the right to specify in the Operations Manual or otherwise in writing certain third parties that may be designated suppliers for specified products, materials, fixtures, furnishings and equipment used at CSG&B Business. You must purchase these items from those suppliers designated by us in order to assure the uniform quality and image associated with the Franchised Business.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

Provision	Section in Franchise Agreement	Summary
a. Length of the term of the franchise	2.1, 6.1	5 years
b. Renewal or extension of the term	6.2	You have the right to renew for 1 (one) additional 5 (five)-year term if certain conditions are met
c. Requirements to renew or extend	2.2	Conditions include, without limitations: timely delivery of written notice of your election to renew; completion of all renovating and remodeling of the Franchised Business; your compliance with the Franchise Agreement; your execution of our then-current form of franchise agreement; your compliance with our then-current qualification and training requirements.
d. Termination by Franchisee	Not Applicable	Not Applicable
e. Termination by Franchisor without cause	Not Applicable	Not Applicable
f. Termination by Franchisor with "cause"	12.1	We can terminate the Franchise Agreement only if you default.
g. Franchisee's obligations on termination/non-renewal	12.2	You must stop operating the Franchised Business; refrain from holding yourself out as a present or former CSG&B Business; stop using all Confidential Information and Marks; cancel all assumed names containing the Marks; refrain from infringing on our Marks; pay all sums that you owe to us and our affiliates; return the Manuals and all other Confidential Information; comply with the non-compete covenants; offer us the option to purchase, or

		assume the lease for, as applicable, the Franchised Business premises and to purchase the Franchised Business's assets; etc.
h. Assignment of contract by Franchisor	11.1	We can transfer or assign the Franchise Agreement and all or any part of its rights or obligations to any person or legal entity, and any designated assignee of ours will become solely responsible for all obligations of ours under the Franchise Agreement from the date of assignment.
i. Transfer by Franchisee	11.2-11.5	A transfer is when you sell, assign, transfer, convey, pledge, encumber, merge or give away any direct or indirect interest in the Franchise Agreement, in Franchisee, or in all or substantially all of the assets of the Franchised Business. Transfers require our prior written consent.
j. Conditions for Franchisor approval of transfer	11.4	You have satisfied all monetary obligations under the Franchise Agreement; you are not in default; the transferee signs our then-current form of franchise agreement; the transferee is approved by us as a franchisee; and you pay us a transfer fee; etc.
k. Franchisor's right of first refusal to acquire Franchisee's business	11.6	We can match any offer for your business by a third party.
l. Franchisor's option to purchase Franchisee's business	12.4	Upon the termination or expiration of the Franchise Agreement, we can require you to assign your lease and/or telephone number to us. We also have the option of purchasing the assets of the Franchised Business from you, including equipment, furnishings, and signs.
m. Death or disability of Franchisee	11.5	Upon the death disability of you, the executor, administrator, or personal representative must transfer the interest to a third party approved by us within one hundred eighty (180) calendar days of the date of death or disability, which will be subject to the same conditions as any other transfer.
n. Non-competition covenants during	12.3	During the term of the Franchise Agreement and for five (5) years thereafter, you may not own or have any interest in any business that offers golf simulator services.

the term of the franchise		
o. Dispute resolution by arbitration or mediation	15.7	You are required to mediate and arbitrate any disputes.
p. Choice of forum	15.9	Except as set with respect to mediation and litigation, all disputes must be litigated in the courts located in Cuyahoga County, Ohio.
q. Choice of law	15.8	Federal law and Ohio law govern all disputes.

ITEM 18

PUBLIC FIGURES

We do not use any public figures to promote our franchise.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATION

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchise 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 also be given, but only if: (1) a franchisor provide 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.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

We do not have any franchise operations to report.

ITEM 21

FINANCIAL STATEMENTS

We were formed in 2025. Because we have not been in business for three years, we are not able to include the three prior years of audited financial statements regularly required by Item 21.

Attached to this disclosure document as Exhibit A is a copy of our audited opening balance sheet as of financial statements as of the end of 2025. Our fiscal year end is December 31st.

ITEM 22

CONTRACTS

Our standard form of Franchise Agreement is attached to this disclosure document as Exhibit C.

ITEM 23

RECEIPT

Two copies of the Receipt for this disclosure document are attached to this Disclosure Document as Exhibit J. Please return one copy to us and retain one copy for your files.

EXHIBIT A. **FINANCIAL STATEMENTS**

EXHIBIT B. **TABLE OF CONTENTS OF MANUALS**

EXHIBIT C. **FRANCHISE AGREEMENT**

EXHIBIT D. **AREA DEVELOPMENT AGREEMENT**

EXHIBIT E. **STATE ADMINISTRATORS**

EXHIBIT F. **RIDER TO LEASE AGREEMENT**

EXHIBIT G. **AGENTS FOR SERVICE OF PROCESS**

EXHIBIT H. **EXISTING FRANCHISEES**

EXHIBIT I. **FORMER FRANCHISEES**

EXHIBIT J. **RECEIPTS**

EXHIBIT A. **FINANCIAL STATEMENTS**

CSGB Franchising LLC
Income Statement

For the Period January 1, 2025 to December 31, 2025

Sales	
Total Revenue	$0.00
General, Selling, and Administrative Expenses	
Material	$0.00
Salaries and Wages	$0.00
Employee Benefits and Taxes	$0.00
Rent	$0.00
Utilities	$0.00
Outside Services	$0.00
Travel	$0.00
Administration	$0.00
Depreciation	$0.00
Interest	$0.00
Total Expenses	$0.00
Tax Considerations	
Profit Before Income Tax	$0.00
Income Tax	$0.00
Profit After Taxes (Loss)	$0.00

EXHIBIT B. **TABLE OF CONTENTS OF MANUALS**

TABLE OF CONTENTS

EXHIBIT C. **FRANCHISE AGREEMENT**

CSGB FRANCHISING LLC

FRANCHISE AGREEMENT

FRANCHISEE______________________

EFFECTIVE DATE__________________

LOCATION__________________________

CSGB FRANCHISING LLC

FRANCHISE AGREEMENT

TABLE OF CONTENTS

FRANCHISE AGREEMENT

This Franchise Agreement (this "Agreement") is made as of _____________ 202_ (the "Effective Date"), between **CSGB FRANCHISING LLC**, an Ohio limited liability company, located at 1871 NE Catawba Rd, Port Clinton, OH 43452 ("Franchisor"), and ___________, ______________________ ("Franchisee"), each a "party" and both collectively, the "parties".

RECITALS

WHEREAS, Franchisor and its affiliates, as a result of the expenditure of time, skill, money, and efforts, have developed a proprietary system for establishing, promoting, and operating indoor golf simulator facilities with full bar services using the service marks "Coastal Swing" and "CSG&B" and certain other trademarks, service marks, names and commercial symbols (all collectively, the "Marks") and Franchisor's confidential Operations Manuals as defined in this Agreement (the "System");

WHEREAS, from time to time, and in Franchisor's sole discretion and judgement, Franchisor grants to Persons who meet certain qualifications and who are willing to undertake the investment and effort, a license to own and operate a CSG&B Business, as further defined below, using the System and the Marks at certain designated locations; and

WHEREAS, Franchisee has applied for franchise to operate one (1) Franchised Business and a license to use the Marks and the System in connection therewith, and Franchisor is willing to grant such franchise and license upon the terms and conditions set forth in this Agreement.

THEREFORE, intending to be legally bound, the parties agree as follows:

ARTICLE I

DEFINITIONS

"**Marketing Fund Contribution**" means the marketing, advertising, and promotional fee that Franchisee agrees to pay Franchisor, as set forth in Section 5.5.

"**Competitive Business**" means any business that offers indoor simulated golf.

"**Computer System**" means the computer hardware and the operating software.

"**Confidential Information**" means, as more fully described in Section 8.1, Franchisor's trade secrets, Operations Manual, and System and other information that Franchisee is given access to by virtue of this Agreement or otherwise that is not a matter of public knowledge.

"**Disability**" means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent Franchisee or its Operating Principal from supervising the Franchised Business's management and operations.

"**Entity**" means a corporation, limited liability company, general or limited partnership or legally recognized form of organized business structure.

"**Gross Revenue**" means all income or revenue of the CSG&B Business, including the revenue generated from the sale of all products and services offered at or from the CSG&B Business location, and all other income or revenue of any kind and nature related to, derived from, or originating from the CSG&B Business (whether these sales are permitted or not) and proceeds of any business interruption insurance policies, whether any of the products or services are sold for cash, check, or credit, and regardless of collection in the case of check or credit less (i) any returns or refunds and/or (ii) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in Gross Revenue. Gross Revenues include all dollars received regardless of whether for goods or services (such as gift cards). Gross Revenues shall also include the fair market value of any services or products received by you in barter or in exchange for its services and products.

"**Marks**" means "Coastal Swing" and "CSG&B" word mark and logo, and any other trademarks, service marks, and commercial symbols Franchisor may create, use or license for the CSG&B Business, including, without limitation those Marks listed on Exhibit C.

"**Operations Manual**" means the confidential operations manual that Franchisor loans to Franchisee to assist Franchisee in setting up and establishing the operations of its Franchised Business.

"**Operating Principal**" means any person whom Franchisee designates to be responsible for overseeing and supervising the operation of the Franchised Business.

"**Owner**" means any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in Franchisee, this Agreement, or the Franchised Business, and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights or assets.

"**Person**" means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity.

"**Premises**" means the location that Franchisee approves for the CSG&B Business.

"**Royalty Fee**" means the royalty fee that Franchisee agree to pay Franchisor, as set forth in Section 5.4.

"**Supplier**" means approved or designated by Franchisor distributors and/or suppliers for any approved products or services.

"**Territory**" means the geographic area in which the Premises are located, as identified in Exhibit A to this Agreement.

"**Website**" means one or more related documents, designs, pages, or other communications that can be accessed through electronic means, including but not limited to the Internet, World Wide Web, social media and networking sites (such as Facebook, LinkedIn, Twitter, Instagram, YouTube, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools), blogs, vlogs, and other applications.

The definitions provided above are in addition to other defined terms set forth in this Agreement.

ARTICLE II

GRANT OF FRANCHISED BUSINESS

2.1 Grant of Franchise. Franchisor grants to Franchisee, and Franchisee accepts from Franchisor, the right to use the Mark and the System in connection with the establishment and operation of a franchise to operate a CSG&B business ("CSG&B Business" or the "Franchised Business") at the location described in Article III of this Agreement for a term beginning on the Effective Date and expiring five (5) years from the Effective Date (the "Term"), unless sooner terminated as set forth in this Agreement. Franchisee agrees to use the Marks and System, as they may be changed, improved, and further developed by Franchisor from time to time. This grant applies only to a single location within a territory that is designated in Exhibit A, attached hereto and incorporated herein (the "Territory").

2.2 Franchisee's Obligations. Franchisee agrees at all times faithfully, honestly, and diligently to perform its obligations under this Agreement and to use its best efforts to promote the CSG&B Business, including, without limitations, actively and continuously operating the CSG&B Business during the Term. Franchisee shall comply with the requirements of the System and that certain Operations Manual, attached hereto and incorporated herein by reference as Exhibit B. Franchisee may not sub-franchise or otherwise grant any Person any interest in this Agreement, except as set forth in this Agreement.

2.3 Intentionally Omitted.

2.4 Reserved Rights. Franchisor and its affiliates retain all rights with respect to CSG&B businesses, the System, the Marks, the sale of similar or dissimilar products and services, and any other activities Franchisor deems appropriate, including, but not limited to:

(a) The right to operate, and to grant others the right to operate, CSG&B businesses and similar businesses under different names or marks located anywhere outside the Territory;

(b) The right to establish and operate, and to grant to others the right to establish and operate, any other businesses offering products and services that are different from the products or services offered at CSG&B Businesses;

(c) The right to acquire the assets or ownership interests of one or more businesses that operate, and/or has granted franchises, licenses, or similar rights to one or more third parties to operate businesses similar to and/or competing with CSG&B Businesses under any name or marks, and/or the right to be acquired by a competing business, even if such business operates, franchises and/or licenses Competitive Businesses in the Territory; and

(d) The right to create, place, and/or distribute any advertising and promotional materials related to the System, the Marks, CSG&B Businesses, and the services and products offered and authorized to others to do so, and those materials may appear in media, including but not limited to, the Internet or similar electronic media, or may be received by prospective customers located anywhere, including within the Territory.

2.5 **Corporation, Limited Liability Company, or Partnership**. If Franchisee is at any time an Entity, it agrees and represents that:

(a) Franchisee has the authority to execute, deliver, and perform its obligations under this Agreement and all related agreements, and is duly organized or formed, validly existing, and in good standing under the laws of the state of Franchisee's incorporation or formation;

(b) Franchisee will not alter, change, or amend its organizational documents, operating agreement, or partnership agreement, as applicable, without obtaining Franchisor's prior written approval, which approval Franchisor will not unreasonably deny or withhold;

(c) Franchisee's organizational documents, operating agreement, partnership agreement, or stock certificates, as applicable, will recite that this Agreement restricts the issuance and transfer of any ownership interests in Franchisee, and all certificates and other documents representing ownership interests in Franchisee will bear a legend referring to this Agreement's restrictions;

(d) Exhibit D to this Agreement completely and accurately describes all of Franchisee's owners and their interests in Franchisee as of the Effective Date. Franchisee agrees to sign and deliver to Franchisor a revised Exhibit D to reflect any permitted changes in the information that Exhibit D currently contains;

(e) Each of Franchisee's owners holding at least a five (5%) percent direct or indirect ownership interest during the Term (each, a "Guarantor"), will execute a guaranty in the form attached hereto as Exhibit E (the "Personal Guaranty"), undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between Franchisor and Franchisee;

(f) The Operating Principal, as of the Effective Date, is identified in Exhibit F. The Operating Principal will be the person with whom Franchisor will communicate on all major financial, management and operational matters, and the only person from Franchisee's side that Franchisor will recognize as having the authority to communicate for and on Franchisee's behalf. Franchisee may not change the Operating Principal without Franchisor's prior written consent, which Franchisor will not unreasonably withhold provided that the proposed new Operating Principal meets Franchisor's then-current qualifications and standards, and successfully completes the then-current training programs that Franchisor may require; and

(g) The Franchised Business will be the only business that the Entity may operate, and its organizational documents must reflect this.

2.6 **Acknowledgments**. Franchisee acknowledges:

(a) That Franchisee has independently investigated this franchise opportunity and recognizes that, like any other business, the nature of CSG&B Business conducts may, and probably will, evolve and change over time;

(b) That in all of the dealings with Franchisee, Franchisor's officers, directors, employees, and agents act only in a representative, and not in an individual capacity, and that business dealings between Franchisee and them as a result of this Agreement are deemed to be only between Franchisee and Franchisor;

(c) That Franchisee has represented to Franchisor, to induce its entry into this Agreement, that all statements Franchisee has made and all materials it has given to Franchisor are accurate and complete and that Franchisee has made no misrepresentations or material omissions in obtaining the CSG&B Business; and

(d) That Franchisee has a net worth which is sufficient to make the investment in the CSG&B Business, and Franchisee will have sufficient funds to meet all of its obligations under this Agreement.

ARTICLE III

LOCATION. LEASE. DEVELOPMENT

3.1 <u>Location Approval</u>.

(a) This Agreement grants Franchisee the right to operate CSG&B Business at a single location (the "Franchised Location") and from within the Territory. Subject to the limitations set forth in this Agreement, Franchisor agrees that during the Term, Franchisor will not, and Franchisor will not permit any other franchisees to operate CSG&B Business in the Territory using the Marks and the System, as long as Franchisee is not in default under this Agreement;

(b) The Franchised Location has to be approved by Franchisor. If the Franchised Location is not identified on Exhibit A when this Agreement is signed, then, within sixty (60) calendar days of the Effective Date, Franchisee shall locate a site that satisfies the site selection guidelines provided to Franchisee by Franchisor within the "Site Selection Area" identified on Exhibit A. Franchisee may request Franchisor to provide site selection services within the area for an additional fee of One Thousand Dollars ($1,000). Franchisee shall submit to Franchisor, in writing, a description of the site, together with written certification the site complies with Franchisor's site selection guidelines, and such other information and materials as Franchisor may reasonably require. Franchisor shall have thirty (30) calendar days after receipt of this information and materials to consent, in its sole and absolute discretion, to the proposed site as the location for the Franchised Business. If Franchisee is unable to locate a site for its CSG&B Business within ninety (90) calendar days after the Effective Date, Franchisor may terminate this Agreement. No site may be used for the location of the Franchised Business unless it is consented to in writing by Franchisor. Franchisee acknowledges and agrees that Franchisor's approval of the Franchised Location is not a warranty or guaranty, express or implied, that Franchisee will achieve any particular level of success. Once Franchisor has approved the Franchised Location, it will be designated as the "Premises" and Franchisor will establish the boundaries of Franchisee's Territory, at what point Franchisor shall issue a revised Exhibit A to reflect the established Franchised Location and the Premises address;

(c) After the site has been selected and approved by Franchisor, it shall be Franchisee's sole cost and expense to improve and equip the Premises for the CSG&B Business in strict accordance with the System and the standards and specifications of Franchisor, including, the Operations Manual;

(d) Franchisee may only operate the Franchised Business from the Premises and must not relocate the Franchised Business, except with Franchisor's prior written approval and upon a tender of the relocation fee in the amount of Seven Thousand Five Hundred Dollars ($7,500). The Premises must only be used for the operation of a Franchised Business and other related activities Franchisor approves in writing. Franchisee must not allow the Premises to be used for any other purpose.

3.2 **Lease Provisions**. Franchisee is not authorized to sign a lease for the Premises until it is approved by Franchisor. Franchisee must obtain Franchisor's approval of the lease within one hundred and eighty (180) calendar days of Franchisor's approval of the Premises. Franchisor's approval of the proposed lease requires the entrance of Franchisee and its lessor into the Lease Rider, in the form attached hereto and incorporated by reference as Exhibit G, unless Franchisor has agreed to waive this requirement in writing.

3.3 **Development of the Franchised Location.**

(a) Franchisee assumes all cost, liability, expense and responsibility for obtaining and developing a site for the Franchised Business within the Territory and for constructing and equipping the Franchised Business at such site. Franchisee shall not make any binding commitment to a prospective vendor or lessor of real estate with respect to a site for the Franchised Business unless the Franchised Location is approved by Franchisor. Franchisee has sole responsibility for procuring and developing the Franchised Location for the Franchised Business and Franchisee may and is encouraged to consult with professionals of Franchisee's choice in discharging such responsibility.

(b) Franchisee is responsible, at its own expense, to do everything necessary to develop and prepare the Premises for opening in accordance with the requirements of the System, including, without limitations:

(i) Obtaining and submitting to Franchisor for approval of the construction plans and specifications for the Premises, all of which shall comply with all design specifications required by Franchisor as well as by all applicable ordinances, building codes, permit requirements, and lease requirements and restrictions;

(ii) Obtaining all required zoning changes, planning consents, building, utility, sign and business permits and licenses, insurance, and any other consents, permits, licenses and insurance necessary to lawfully open and operate the CSG&B Business, including, without limitations, the Beer and Liquor License, and any other licenses required to open or operate CSG&B Business;

(iii) Constructing all required improvements in compliance with the approved by Franchisor construction plans and specifications;

(iv) Decorating the Premises in compliance with plans and specifications approved by Franchisor;

(v) Purchasing and installing all of the operating assets (collectively, the "Operating Assets"), including, without limitations, computer system, golf simulators (hardware and software), equipment, and furniture, all of which shall meet the specifications and standards requested by Franchisor;

(vi) Purchasing and installing the signs, emblems, and logos approved by Franchisor;

(vii) Purchasing the required inventory, including, without limitations, bar inventory (the "Inventory") in the amounts requested by Franchisor;

(viii) Obtaining all customary contractors' sworn statements and lien waivers; and

(ix) Complying with all Franchisor's additional requirements, if any.

(c) Franchisee shall use an approved supplier of construction services (which may be Franchisor, its affiliate or a third party). Franchisee additionally agrees and acknowledges that: (i) it shall pay the Project Management Fee (as hereinafter defined) to Franchisor; (ii) it shall inform Franchisor of any progress, shall cooperate with Franchisor, and shall provide any requested reports during the course of construction or remodeling; and (iii) it shall provide unrestricted access to Franchisor to visit and inspect the Premises at any time during construction or remodeling.

(d) Franchisor will provide Franchisee with mandatory and suggested specifications and layouts for the Premises, including, without limitations, color schemes, specific furniture and equipment, as well as a planogram for a typical CSG&B Business layout, recommended size and design, and required or recommended Operating Assets. Franchisee acknowledges that such specifications may not contain the requirements of any federal, state, or local law, code, or regulation (including but not limited to the Americans with Disabilities Act (the "ADA") or similar rules governing commercial facilities), nor will such plans contain the requirements of, or be used for, construction drawings or other documentation necessary to obtain permits or authorization to build a specific CSG&B Business, compliance with all of which shall be Franchisee's sole responsibility and expense.

(e) Franchisee must open CSG&B Business for business within twelve (12) months after the Effective Date. For each month that Franchisee is not open beyond the opening deadline, Franchisee shall pay Franchisor the Opening Deadline Extension Fee, as defined in Section 5.3. Franchisor reserves the right to waive the Opening Deadline Extension Fee if the delay is due to circumstances beyond Franchisee's control.

3.4 **<u>Remodeling and Replacement</u>.** Whenever and as frequently as necessary to maintain an attractive appearance and a good public image, or to ensure compliance with the Operations Manual, and in any event within one hundred twenty (120) calendar days after receipt of notice from Franchisor that the building, equipment, or signage are not in good condition or functioning properly, or in compliance with Franchisor's then current image or decor, Franchisee shall promptly repair or remodel, and replace any such items that cannot be so repaired or remodeled. Franchisee shall submit to Franchisor prior to the commencement of such repair or remodeling, complete plans and specifications, including any variances therein required by building and zoning codes, and shall tender a payment of the remodeling fee in the amount of Two Thousand and Five Hundred Dollars ($2,500). Franchisee will not be required to do major remodeling more frequently than once every five (5) years. Major remodeling excludes more frequently required repairs, maintenance, upgrades or changes to maintain an attractive appearance and good public image.

ARTICLE IV

FRANCHISEE'S OPERATIONS

4.1 **Opening of the Franchised Business**. Franchisee will not open the Franchised Business until:

(a) The Franchised Business meets Franchisor's standards and specifications; provided Franchisor's acceptance is not a representation or warranty, express or implied, that the Franchised Business complies with any licensing, labor, building, fire, occupational, landlord's insurance, safety, governmental, or other statutes, rules, regulations, requirements, or recommendations, nor a waiver of Franchisor's rights to require continuing compliance with its requirements, standards, or policies;

(b) Franchisee has received all required state and local government certifications, permits, and licenses necessary for operation of the CSG&B Business;

(c) Franchisee's Operating Principals have satisfactorily completed all training that is required by Franchisor;

(d) Franchisee has paid the Initial Franchise Fee and other amounts then due and payable;

(e) Franchisee has executed all agreements required prior to the opening of the Franchised Business, including any software license agreements;

(f) Franchisee is not in default under, or in violation of, any agreements by and between the parties or any suppliers;

(g) Franchisee has purchased all the required Operating Assets;

(h) Franchisee has provided Franchisor certificates of insurance for all required policies; and

(i) Franchisor notified Franchisee in writing that the CSG&B Business is approved for opening.

4.2 **Computer System**. Franchisee shall obtain and use in the operation of its CSG&B Business specified integrated computer hardware and software systems, including an integrated point-of-sale system that is designated by Franchisor from time to time (the "Computer System"). Franchisor may require that the Computer System be purchased from the supplier it designates. Franchisor may modify specifications for, and components of, the Computer System and Franchisee shall incorporate such modifications, within thirty (30) calendar days of Franchisor's request. Modifications to Computer System might require Franchisee to incur additional costs. Franchisee has no obligation to reimburse Franchisee for any Computer System costs. Franchisee has sole and complete responsibility for the acquisition, operation, maintenance, and upgrading of the Computer System. Franchisee shall maintain high-speed internet connection.

4.3 GOLFZON Golf Simulators. Franchisee must acquire and operate at least three (3) Golf Simulators from GOLFZON. Franchisee must maintain, use, and operate each simulator according to processes and procedures determined by GOLFZON. Franchisee must accept any maintenance, support, upgrades, or other services provided by or required by GOLFZON. Franchisee shall not replicate, modify, or alter any of the simulators hardware or software. GOLFZON (or its designee) will provide service and support to the simulators to the extent it deems reasonably appropriate.

4.4 Financing; Maximum Borrowing Limits; Liquidity. Franchisee shall maintain sufficient working capital as necessary and appropriate to maintain CSG&B Business operations and to comply with its obligations under this Agreement. Franchisor may establish certain levels of working capital reserves and maximum amounts of debt, and Franchisee shall comply with such requirements. Any Franchisee's debt financing used to fund the CSG&B Business operation is subject to Franchisor's prior written approval.

4.5 Franchisee Employees and Staff. Franchisee shall maintain a staff of competent employees of sufficient number, training, and skill to operate the Franchised Business in the manner and method designated in the Operations Manual and any modifications thereof. The hiring of employees and all obligations arising therefrom, including, but not limited to, compensation, withholding and payment of federal and state income taxes, deductions and contributions for Social Security, and unemployment insurance shall be the exclusive responsibility of Franchisee.

4.6 Outside Management. Franchisee shall not engage a third-party management company to manage or operate the CSG&B Business without the prior written approval of Franchisor, which will not be unreasonably withheld.

4.7 Sales of Products and Services. Franchisee may only offer and sell products and services Franchisor previously authorized, only from the Premises, and only in accordance with this Agreement and the Operations Manual. Specifically, CSG&B Business shall provide only the following services/sales: (i) golf simulator and (ii) a full bar service. Franchisee acknowledges and agrees that it is prohibited from serving food at the Premises (except for bar snacks). No other simulators, vending, game, audio, video, internet, other coin or currency-operated machines, or any service, product or entertainment machine of any kind are permitted in or at the Franchised Business without Franchisor's prior written consent.

Franchisee retains the discretion to determine the prices it charges for products and services, provided that, subject to applicable law, Franchisor reserves the right to set minimum prices for all products and services sold at the CSG&B Business.

4.8 Approved Suppliers and Vendors. Franchisee shall obtain only from suppliers and vendors previously approved in writing by Franchisor all supplies, food products, liquor, inventory, materials, equipment, and machinery that Franchisor designates in the Operations Manual. Franchisee shall be required from time to time upon written notice from Franchisor to purchase new products, supplies, or acquire certain additional items of equipment or machinery in accordance with Franchisor's then current standards, inventory and equipment requirements. If Franchisee desires to use items that Franchisor has not previously approved, or deal with a supplier that Franchisor has not previously approved, Franchisee shall seek Franchisor's approval and shall pay Franchisor a testing fee in the amount of at least One Thousand Dollars ($1,000), which approval can be given or withheld by Franchisor in its sole reasonable discretion.

4.9 Operations Manual. Franchisor shall deliver one copy of its Operations Manual to Franchisee upon the execution of this Agreement. The Operations Manual may be modified from time to time by Franchisor, and all such modifications will be communicated to Franchisee in writing. Franchisee shall always keep the Operations Manual and any modifications thereof in its Franchised Business. Franchisee shall operate the Franchised Business only in the manner and method described in the Operations Manual and any modifications thereof and in supplemental bulletins, and other written directives which Franchisor may from time to time deliver to Franchisee and shall comply with all required standards and procedures set forth therein. Franchisee acknowledges that the Operations Manual contains valuable, confidential information, including trade secrets of Franchisor. The Operations Manual is the property of Franchisor, which is loaned to Franchisee pursuant to the terms of this Agreement. Accordingly, Franchisee shall not copy, reproduce nor disclose the contents of the Operations Manual or any portion thereof, and Franchisee shall return the Operations Manual and all written modifications thereof to Franchisor upon the termination or expiration of this Agreement.

4.10 Promotional Activity

(a) Local. During the Term, Franchisee shall spend a minimum of One Thousand Dollars ($1,000) per month on local advertising or other marketing or promotional programs to enhance and promote the image, identity or patronage of the CSG&B Business. Such advertising may be published by any methods, including print, broadcast, electronic media, and make include ads, flyers, coupons, direct mail, radio, television, Internet, and social media advertising.

All advertising and promotional materials shall bear the Marks in the form, color, location and manner that Franchisor prescribes.

Franchisee shall verify such local advertising expenditures on the financial reports, as and when required by Franchisor.

All advertising materials shall be approved by Franchisor in writing. Franchisee shall submit to Franchisor for its prior approval samples of all advertising and promotional materials which have not been prepared or previously approved by Franchisor within the prior six (6) months. Franchisor reserves the right to refuse the approval of such materials for any reason, in Franchisor's sole discretion. If Franchisee did not receive written approval from Franchisor within fifteen (15) calendar days after Franchisor received the materials, they are deemed disapproved.

(b) Marketing Fund. Franchisor may establish Marketing Fund (as set forth in Section 7.4), and if so, Franchisee is required to pay its Marketing Fund Contributions, as set forth in Section 5.5.

(c) Advertising Cooperative. Franchisor may require Franchisee to pool local advertising funds together with other franchisees in the general geographic area surrounding the CSG&B Business to purchase advertising on a cooperative basis (as set forth in Section 7.5). If a cooperative advertising program is established, Franchisee shall become a member of such cooperative within twenty (20) calendar days of Franchisor's notice regarding the same. Franchisee will be required to attend all meetings and be bound by a decision of such cooperative.

4.11 **Maintenance of Insurance**. Franchisee shall, at its own cost, maintain insurance policies required by applicable law and such comprehensive business coverage providing the types of protection and minimum coverage amounts we prescribe from time to time in the Operations Manual or otherwise is writing. Franchisor may increase the amounts of coverage required under those policies or require different types of additional insurance coverage to reflect inflation, identification of new risks, changes in law, higher damage awards or other relevant changes. The insurance policies required to be maintained by Franchisee shall have Franchisor as a named insured and loss payee. The insurance policies shall be issued by carriers approved by Franchisor, and Franchisee shall provide Franchisor with satisfactory evidence that such insurance policies are in full force and effect prior to commencing its operations of the Franchised Business. The policies shall provide thirty (30) calendar days prior written notice to Franchisor of any material modification, cancellation or expiration of the policy. In the event that Franchisee fails to procure or maintain any insurance required by this Agreement or to furnish satisfactory evidence thereof, Franchisor shall have the right, but not the obligation, to obtain such insurance coverage and to charge the expense thereof to Franchisee, plus a three (3%) percent administrative fee, which shall be immediately due and payable by Franchisee.

The requirements for minimum insurance coverage are not representations or warranties of any kind that such coverage is sufficient for CSG&B Business's operations. Such requirements represent only the minimum coverage that Franchisor deems acceptable to protect its interests. It is Franchisee's sole responsibility to obtain insurance coverage for CSG&B Business that it deems appropriate, based on its independent investigation. Franchisor is not responsible if Franchisee sustains losses that exceed its insurance coverage under any circumstances. Franchisee's obligation to maintain insurance coverage will not be limited in any respect by reason of insurance maintained by Franchisor or any other party.

4.12 **Accounting. Inspection.** Franchisee shall establish and maintain a standardized bookkeeping, accounting, and record keeping system in the form approved by Franchisor. Franchisor may specify in its Operations Manual the independent payroll services required to be used.

Franchisee shall cause the following reports concerning its operation of the Franchised Business to be prepared in the form approved by the Franchisor or as in the Operations Manual and delivered to Franchisor, with all due dates considered to be "time is of the essence":

(a) A monthly operating report and a monthly inventory report, according to the Operations Manual, which shall be delivered to Franchisor within five (5) calendar days after the end of each month;

(b) A quarterly profit and loss statement prepared in accordance with the Operations Manual and generally accepted accounting principles as established by the American Institute of Certified Public Accountants within five (5) calendar days after the end of each quarter;

(c) Copies of sales tax returns filed by Franchisee shall be delivered to Franchisor within fifteen (15) calendar days after the end of each quarter Franchisor has made such request of Franchisee; and

(d) Annual balance sheet and profit and loss statement, together with a review report of a certified public accountant shall be delivered to Franchisor within thirty (30) calendar days after the end of the calendar year.

Franchisee shall immediately notify Franchisor of: (i) any governmental inspections; (ii) any Action or (iii) threatened Action by any customer, government authority, vendor, supplier, or any third party. Franchisee shall cooperate and shall provide such information as requested by Franchisor. "Action" means any action, suit, proceeding, claim, demand, governmental investigation, governmental inquiry, or judgment, or appeal thereof, whether formal or informal.

Franchisee shall provide all financial records in accordance with the chart of accounts Franchisor may designate. Franchisor may disclose data derived from these reports. Franchisor may access the Computer System and retrieve all information relating to CSG&B Business's operation. Franchisor may use and disclose data it retrieved from the CSG&B Business's Computer System as it deems appropriate, including, without limitation, to publish sales rankings.

Franchisee shall preserve and maintain all records in a secure location at the CSG&B Business for at least seven years (including, but not limited to, sales checks, purchase orders, invoices, payroll records, pay stubs, sales tax records and returns, cash receipt and disbursement journals, general ledgers), or for any longer period that may be required by law.

4.13 **Audit**. Franchisor may, with seven (7) calendar days' notice, examine the business, bookkeeping, and accounting records, sales and income tax records and returns, and other records of the CSG&B Business. Franchisee shall cooperate fully with Franchisor, its representatives, accountants, auditors, representatives, and/or contractors in any examination. Franchisor may conduct our audit or examination at Franchisee's location or the location of its representative, accountant, auditor, or contractor. If any examination discloses an understatement of any amount owed to Franchisor, Franchisee shall pay Franchisor, within ten (10) calendar days after receiving the examination report, the understated amounts plus interest on the understated amounts from the date originally due until the date of payment. Furthermore, if an examination is necessary due to Franchisee's failure to furnish reports or other information as required, or if the examination reveals an understatement of Gross Revenue of three (3%) percent or more of the amount that Franchisee actually reported to Franchisee for the period examined, then: (i) Franchisee shall reimburse Franchisor for the costs of the examination, including but not limited to, the charges of attorneys and independent accountants, and the travel expenses, room and board, and compensation of our employees; and (ii) Franchisor may require Franchisee to provide periodic audited statements. These remedies are in addition to any other remedies and rights Franchisor may have under this Agreement and applicable law.

Franchisor's receipt or acceptance of any of the statements furnished or royalties or other fees paid to it (or the cashing of any checks or processing of any EFTs) will not preclude Franchisor from questioning the correctness thereof at any time or constitute any waiver of rights. In the event Franchisor discovers any inconsistencies or mistakes in such statements or payments, Franchisee must immediately make any appropriate payment.

Franchisee hereby authorizes (and agrees to execute any other documents deemed necessary to effect such authorization) all banks, financial institutions, businesses, suppliers, manufacturers, contractors, vendors and other persons or entities with which Franchisee does business to disclose to Franchisor any requested financial information in their possession relating to Franchisee or the Franchised Business.

4.14 Continued Operations. Once Franchisee's CSG&B Business has commenced operation, it must actively and continuously operate during normal business hours (as prescribed by Franchisor in the Operations Manual) for the entire duration of the Term. Franchisee is required to actively and personally participate in the operations of the Franchised Business. Franchisee is required to devote full-time to the Franchised Business, unless a full-time qualified manager is hired and approved by Franchisor. If Franchisee hires a manager, such manager shall satisfactorily complete all training programs required by Franchisor and shall operate the Franchised Business in accordance with the Operations Manual.

4.15 Standards of Conduct and Ethics. In all dealings with the general public, customers, suppliers, Franchisor and all others under its control shall adhere to the highest standards of honesty, integrity, ethical conduct, good faith and fair dealing. Franchisee shall refrain from any business practice that Franchisor determines may injure Franchisor's business, other Franchised Businesses or the goodwill associated with the Marks and/or the System.

Franchisee shall not engage or permit any employee to engage in any (i) violence or a threat of violence against any person or group of persons, (ii) sexual harassment of any person, (iii) discrimination against any person or group of persons on account of sex, race, color, religion, ancestry, national origin, sexual orientation, or disability, or any legally protected class in the jurisdiction where the Business is located, or (iv) any act which injures or is likely to injure the goodwill associated with the System, Marks, in Franchisor's sole reasonable judgement.

4.16 Alcoholic Beverages. Franchisee is required to sell alcoholic beverages at the CSG&B Business. As used in this Agreement, "alcoholic beverage" means any beverage which consists of or contains liquor or alcohol including, without limitation, beverages such as cocktails, beer, wine, sake, and spirits. Franchisee is solely responsible for obtaining all licenses, permits, and other approvals required by any local, state or other government agency and the consent of its landlord, if required under the lease. Franchisee is solely responsible for compliance with all applicable laws, rules and regulations pertaining to the sale of alcoholic beverages at the CSG&B Business.

Franchisee agrees to indemnify and hold Franchisor harmless to the fullest extent permitted by law, from all losses and expenses incurred in connection with any action, suit, proceeding, claim, demand, investigation, formal or informal inquiry or allegation (regardless of whether reduced to judgment) or any settlement which directly or indirectly arises out of, is based upon, results from or relates to the sale, service, consumption or use of alcoholic beverages at or from the CSG&B Business, including, without limitation, any host or dramshop liability. Franchisor may terminate this Agreement immediately upon notice to Franchisee and without opportunity to cure in the event of any violation of any government law, rule, regulation or requirement imposed on CSG&B Business by any local, state or other government agency relating to the sale, service or use of alcoholic beverages.

4.17 **Modification of the System**. Franchisee understand and agree that the System must not remain static, and that it is best to serve the interests of Franchisee, Franchisor, and all other CSG&B businesses. Accordingly, Franchisee expressly understands and agrees that Franchisor may from time to time change the System including, but not limited to, altering the services, products, methods, standards, policies and procedures of the System; abandoning the System altogether in favor of another system in connection with a merger, acquisition, other business combination or for other reasons; adding to, deleting from or modifying those services which the Franchised Business is authorized and required to offer; modifying or substituting entirely the building, premises, equipment, signage, trade dress, décor, color schemes and uniform specifications and all other unit construction, design, appearance and operation attributes which Franchisee is required to observe hereunder; and changing, improving, modifying, or substituting other words or designs for, the Marks. Franchisee expressly agrees to comply with any such modifications, changes, additions, deletions, substitutions and alterations. Franchisee must accept, use and effectuate any such changes or modifications to, or substitution of, the System as if they were part of the System at the time that this Agreement was executed. Franchisor will not be liable to Franchisee for any expenses, losses or damages sustained by it as a result of any of the modifications contemplated hereby. Franchisee hereby covenants not to commence or join in any litigation or other proceedings against Franchisor or any third party complaining of any such modifications or seeking expenses, losses or damages caused thereby. Franchisee expressly waives any claims, demands or damages arising from or related to the foregoing activities including, but not limited to, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.

4.18 **Cleaning, Maintenance, Repair, and Alterations**. Franchisee shall at all times keep the CSG&B Business in a neat and clean condition and shall perform all required maintenance and repair to the Premises.

4.19 **Association with Causes**. Franchisee shall not in the name of the Business and/or Franchisor do any of the following: (i) donate money, products, or services to any charitable, political, religious, or other organization or cause, or (ii) act in support of any such organization or cause, without Franchisor's prior express written approval.

4.20 **Privacy Practices**. With respect to privacy information, Franchisee must comply with all obligations under applicable privacy laws and regulations. Franchisee shall not sell any privacy information. In the event of a data security event, Franchisee must notify Franchisor immediately and shall cooperate with Franchisor.

4.21 **Communication**. Franchisee shall respond promptly to requests for communication from Franchisor and, in any event, within three (3) business days.

4.22 **Meetings.** The Operating Principal shall use reasonable efforts to attend all in-person meetings and remote meetings (such as telephone or video conference calls) that Franchisor may require, including any national or regional brand conventions or conferences.

4.23 **Gift Cards. Loyalty Programs**. At its own expense, Franchisee shall sell gift cards, certificates, or other pre-paid systems, and participate in any customer loyalty programs, membership/subscription programs, or customer incentive programs, designated by Franchisor, as may be set forth in the Operations Manual. Franchisee shall honor all valid gift cards and other pre-paid systems, regardless of whether issued by Franchisee or another CSG&B Business. If Franchisee honors a gift card or other pre-paid system sold by another location, or vice versa, Franchisor and Franchisee will cooperate so that the cash received is fairly allocated to the location where that gift card or other pre-paid system is redeemed (subject to fees and charges). Franchisee shall comply with all procedures and specifications of Franchisor related to gift cards, certificates, and other pre-paid systems, or related to customer loyalty, membership/subscription programs, or customer incentive programs.

ARTICLE V

FEES AND PAYMENT OBLIGATIONS

5.1 **Initial Franchise Fee.** Franchisee shall pay Franchisor a one-time initial franchise fee in the amount of Forty Thousand Dollars ($40,000) (the "Initial Franchise Fee"). If Franchisee or its sole owner is a veteran of the United Stated Armed Forces, which is supported by the respective documentation, Franchisee may request a discount or either: (i) ten (10%) percent of the Initial Franchise Fee or (ii) ten (10%) percent of the Area Development Fee, as set forth in the Area Development Agreement. The Initial Franchise Fee is due in a lump sum when Franchisee signs this Agreement. The Initial Franchise Fee is fully earned by Franchisor when Franchisee signs this Agreement and is not refundable under any circumstances.

5.2 **Opening Support Fee.** Franchisee shall pay Franchisor a one-time opening support fee in the amount of Ten Thousand Dollars ($10,000) (the "Opening Support Fee"). The Opening Support Fee is due in a lump sum when Franchisee signs this Agreement. The Opening Support Fee is fully earned by Franchisor and is not refundable under any circumstances. The Opening Support Fee includes various activities (as determined by Franchisor, set forth in Section 7.1 below) to provide on-site support in connection with pre-opening and opening activities of the Franchised Business.

5.3 **Opening Deadline Extension Fee.** For each month that Franchisee is not open beyond the opening deadline, Franchisee shall pay Franchisor Five Thousand Dollars ($5,000) per month for each of the first six months, and thereafter Ten Thousand Dollars ($10,000) per month (the "Opening Deadline Extension Fee"); provided, however, that if a delay in opening is due to longer processing times for liquor license, then no Opening Deadline Extension Fee shall be paid. The Opening Deadline Extension Fee is due and payable by Franchisee by 5th day of the month during the entire period CSG&B Business is not open.

5.4 **Royalty Fee.** During the Term, Franchisee shall pay Franchisor a Royalty Fee equal to seven (7%) percent of Gross Revenues collected over the preceding month; provided, however, that if Franchisee is the first Franchised Business opened in the state, it will pay the reduced Royalty Fee during the first two years of operation in the following amounts: 5% of Gross Revenues per month during the first year; 6% of Gross Revenues per month during the second year; and thereafter, 7% of Gross Revenues per month.

The Royalty Fee is due and payable on the fifth (5th) day of each month following the calendar month in which such Gross Revenues are received.

If applicable law (state or local) prohibits or restricts Franchisee's ability to pay (or Franchisor's ability to collect) Royalty Fee or other amounts based on Gross Revenues derived from the sale of alcoholic beverages by the Franchised Business, or if such law would require Franchisor be licensed to sell alcoholic beverages, then the parties will exclude alcoholic beverage sales from the Gross Revenues and mutually agree on a substitute so as to provide the same basic economic effect to both parties.

5.5 **Marketing Fund Contributions**. During the Term, Franchisee shall pay Franchisor a Marketing Fund (as defined in Section 7.4) Contribution in the amount of one (1%) percent of Franchisee's Gross Revenues, due and payable on the fifth (5^{th}) day of each calendar month following the calendar month in which such Gross Revenues are received by Franchisee. Franchisor reserves the right to raise the amount of the Marketing Fund Contribution, not to exceed two (2%) percent of Franchisee's Gross Revenues. Franchisor may periodically receive allowances, rebates or other payments from approved suppliers, and Franchisor may elect to contribute such allowances, rebates or other payments to the Marketing Fund. Any such contribution of these amounts by Franchisor does not in any manner diminish or eliminate Franchisee's responsibility to pay the Marketing Fund Contributions. Franchisee must pay the Marketing Fund Contributions in addition to its local advertising requirement.

5.6 **Project Management Fee**. Franchisee shall pay Franchisor a project management fee in the amount of Two Thousand Five Hundred Dollars ($2,500) for Franchisor's services with respect to managing the construction and buildouts and providing advice and approval with respect to the same (which shall include, without limitations, review of the project floor plan; initial calls with contractor and architect; and related advising services). For clarifying purposes, Franchisee shall use a contractor (approved by Franchisor) for overseeing the construction or remodeling.

The Project Management Fee is due and payable to Franchisor immediately upon the execution of the lease for the Franchised Business. The Project Management Fee is deemed fully earned upon receipt and is not refundable under any circumstances.

5.7 **Insufficient Funds Fee**. If any of Franchisee's checks are returned, or an electronic funds transfer from Franchisee's bank account is denied for insufficient funds, Franchisee shall pay Franchisor, in addition to the amount due and any interest expenses, a non-sufficient funds fee of One Hundred Dollars ($100) per occurrence. This non-sufficient funds fee is reasonably related to Franchisor's costs resulting from the delayed and declined payment, is not a penalty, and is in addition to any other remedy available to Franchisor under this Agreement.

5.8 **Interest Payments.** Any and all amounts that shall become due and owed from Franchisee to Franchisor under this Agreement shall bear interest from the date due until paid at the rate of nineteen (19%) percent per annum or at the highest rate permitted by law, whichever is lower.

5.9 **Non-Compliance Fee**. In addition to Franchisor's other rights and remedies, if Franchisee is in any default of this Agreement, Franchisor may charge Franchisee a non-compliance fee in the amount of One Thousand Dollars ($1,000) per default for each third violation of this Agreement and Five Thousand Dollars ($5,000) per default for each fourth (4^{th}) violation and any violation thereafter. The non-compliance fee is payable to Franchisor upon violation of this Agreement and shall be in addition to, not lieu of, all rights and remedies of Franchisor.

5.10 Costs of Collection and Enforcement. Franchisee shall repay any costs incurred by Franchisor in attempting to collect payments owed by Franchisee or to enforce any other provision of this Agreement (including, without limitation, reasonable attorneys fees).

5.11 Application. No Set-Off. Franchisor may apply any payment received from Franchisee to any obligation and in any order as Franchisor may determine, regardless of any designation by Franchisee. The obligations of Franchisee to pay to any fees or amounts described in this Agreement are not dependent on Franchisor's performance and are independent covenants by Franchisee. Franchisee shall make all such payments without offset or deduction.

5.12 Electronic Funds Transfer. Royalty Fee and Marketing Fund contributions shall be made by electronic funds transfer, and specifically by ACH (Automated Clearing House). Franchisee must sign Franchisor's form of Authorization Agreement for Prearranged Payments attached to this Agreement as Exhibit H (the "Authorization"). Such Authorization shall remain in full force and effect during the Term. Franchisor will debit the business account Franchisee designates in the Authorization for all amounts on their due dates (or the subsequent business day if the due date is a national holiday or a weekend day). Franchisee shall ensure that funds are available in the designated account to cover the withdrawals.

5.13 Access to Information. Franchisor will have independent access to Franchisee's operational and financial information and data and will access that data to obtain the applicable revenue reports as described in the Operations Manuals, including, without limitations to Franchisee's QuickBooks. Notwithstanding the foregoing, upon request, Franchisee must submit all reports, statements and/or other information, which may include electronically pulled data that Franchisor may obtain from Franchisee's point-of-sale system in the manner and form that Franchisor specifies. Franchisor's right to access Franchisee's computer system directly does not diminish Franchisee's responsibility to provide Franchisor with the reports.

ARTICLE VI

TERM AND OPTIONS TO RENEW

6.1 Term. Unless sooner terminated as set forth in this Agreement, the term of this Agreement shall be for a period of five (5) years, commencing as of the Effective Date (the "Term").

6.2 Renewal Period. At the expiration of the Term, Franchisee may renew the franchise for CSG&B Business for one period of five (5) years (the Renewal Period) upon the terms and conditions set forth in Franchisor's then current form of the Franchise Agreement, and on the condition that:

(a) In Franchisor's sole discretion, Franchisee has complied with all of the terms and conditions of this Agreement during the Term.

(b) Franchisee has completed, no later than thirty (30) calendar days prior to the expiration of the Term and to Franchisor's satisfaction, all maintenance, renovation and remodeling of the CSG&B Business as Franchisor may reasonably require so that the CSG&B Business reflects the then current image of the System.

(c) Franchisee has given written notice to Franchisor of its election to renew the franchise at least ninety (90) calendar days and no more than one hundred and eighty (180) calendar days prior to the expiration of the Term.

(d) Franchisee has paid Franchisor the renewal fee in the amount of fifty (50%) percent of then current Initial Franchise Fee in place as of the time of the renewal.

ARTICLE VII

SERVICES PROVIDED BY FRANCHISOR

7.1 **Services Prior to Commencement of Operations**. During the six (6) month period following the Effective Date, Franchisor shall provide Franchisee with the following services:

(a) Guidance in the selection of a Franchise Location.

(b) Guidance and advice regarding Franchisee's bookkeeping system.

(c) Assisting Franchisee with the selection of initial employees, inventory, Operating Assets, supplies and equipment.

(d) Providing Franchisee with the Operations Manual.

(e) Providing Franchisee with a standard layout with standard specifications and standard plans, and advice and suggestions for signage, fixtures, decor, menus, furnishings, inventory, supplies and equipment.

(f) Providing Franchisee with touring and showing the existing locations that Franchisor or other franchisee's operate, covering some travel and stay expenses (as agreed to by Franchisor).

7.2 **Training:**

(a) Initial Training. During Franchisor's normally scheduled initial training program period, within thirty (30) calendar days prior to the opening of the CSG&B Business, Franchisor shall provide an initial training program at the CSG&B Business and/or other location as Franchisor may determine for up to two (2) business days for an average of four (4) hours per day. The initial training program shall be provided by Franchisor, and Franchisee shall bear the travel, lodging, food, salary and other business and living expenses of those trained. Franchisee shall attend the initial training program and shall cause its general manager(s) to attend (the "Required Attendees"). Franchisee will be charged a fee of Five Hundred Dollars ($500) for each additional attendee (above 2 attendees).

The Required Attendees must satisfactorily complete initial training. If Franchisor determines that the Required Attendees cannot complete initial training to its satisfaction, Franchisor may terminate this Agreement.

(b) Ongoing Training. Franchisor will provide on-site training and assistance, as it determines in its sole judgment (usually, for one (1) full day), for at least thirty (30) calendar days before CSG&B Business opens for no additional charge. Franchisee must comply with Franchisor continuing training requirements, which may include a requirement that Franchisee purchases additional equipment, furniture or inventory.

(c) Continuing Training and Consultation. Franchisor may provide additional and refresher training programs and seminars for Franchisee.

(i) Franchisee is required to attend such refresher training programs and seminars and shall cause its employees, including its manager or key employee, if any, as Franchisor may, in its discretion, require to attend;

(ii) Franchisee shall be responsible for all costs for travel, lodging, food, salary and any other business and living expenses of newly hired managers who attend regularly scheduled initial training sessions or a refresher course of the standard course if requested by Franchisee; and

(iii) At the discretion of Franchisor and under special circumstances, Franchisee, at Franchisee's cost, may request additional training outside of normally scheduled training sessions. Such costs shall include the fee of Two Hundred Fifty Dollars ($250) per each hour of training, plus the payment of lodging, travel, food and other business and living expenses of Franchisee's employees and all travel, food and lodging expenses of Franchisor's training personnel. Such request must be made in writing, and Franchisee must explain the reason for additional training.

7.3 **General Guidance**. Franchisor will advise Franchisee at any time and from time to time regarding the CSG&B Business's operation based on Franchisee's reports or Franchisor's inspections, audits and/or evaluations of Franchisee's training methods, techniques, equipment, staff and services rendered to customers.

Franchisor will also guide Franchisee with respect to: (1) the System, including, with respect to the standards, specifications, and operating procedures and methods; (2) purchasing required and authorized Operating Assets, inventory, equipment, and furniture; (3) advertising and marketing materials and programs; (4) employee training; and (5) administrative, bookkeeping, accounting, and inventory control procedures.

Franchisor will guide Franchisee regarding the Operations Manual.

7.4 **Marketing Fund.** Franchisor may establish (or will cause third parties to establish) the Marketing Fund to promote the System and the Marks on a local, regional, national, and/or international level. The Marketing Fund is not Franchisor's asset or trust.

If such Marketing Fund is established, Franchisor will direct all programs and activities of the Marketing Fund, with its sole control over all aspects of those programs, including, without limitations, the creative concepts, materials, and media used and the geographic, market, and media placement and allocation.

Although Franchisor will try to use the Marketing Fund to develop advertising and marketing materials and programs, and to place advertising and marketing that will benefit all CSG&B Businesses, Franchisor will need not to ensure that Marketing Fund expenditures in or affecting any geographic area are proportionate or equivalent to Marketing Fund Contributions by

CSG&B Businesses operating in that geographic area or that any CSG&B Business benefits directly or in proportion to its Marketing Fund contribution from the development of advertising and marketing materials or the placement of advertising and marketing.

Franchisor will hold the Marketing Fund Contributions from all CSG&B Businesses in one or more bank accounts separate from other accounts. The Marketing Fund shall be used only for marketing, advertising, and public relations materials, programs and campaigns. Such activities shall be determined by Franchisor, and may include, without limitations video, audio, written materials, and electronic media; development and placement of advertising and promotions; sponsorships; contests and sweepstakes; development of décor, trade dress, Marks, and/or branding; development and maintenance of brand websites; social media; use of social media influencers; internet activities; e-commerce programs; search engine optimization; market research; public relations, media or agency costs; trade shows and other events; printing and mailing; and administrative and overhead expenses related to the Marketing Fund.

The Marketing Fund will be spent at the Franchisor's sole discretion. Franchisor disclaims any fiduciary duties with regard to the Marketing Fund. Other CSG&B Businesses do not contribute to the Marketing Fund the same amounts or at the same rate as Franchisee. Franchisor has no liability (whether direct or indirect) or any obligation to Franchisee for collecting amounts due to, maintaining, directing, or administering the Marketing Fund. Franchisor has a right, but no obligation, to use collection agents and institute legal proceedings to collect Marketing Fund contributions at the Marketing Fund's expense. Franchisor also may forgive, waive, settle, and compromise all claims by or against the Fund.

Franchisor may accumulate funds in the Marketing Fund and carry over the balance to the subsequent years. If the Marketing Fund operates at a deficit or requires additional funds at any time, Franchisor may loan such funds to the Marketing Fund on reasonable terms.

7.5 Advertising Cooperative. Franchisor may require Franchisee to pool local advertising funds together with other franchisees in the general geographic area surrounding the CSG&B Business to purchase advertising on a cooperative basis (i.e., Advertising Cooperative). Each Advertising Cooperative will be organized and governed in a form and manner determined by Franchisor. Franchisor has the right to terminate any Advertising Cooperatives at any time, and any funds left upon termination will be returned to the former members. Each Advertising Cooperative shall be devoted exclusively to administering regional advertising and marketing programs and developing, all subject to Franchisor's approval. Each Advertising Cooperative shall have one vote. If the Advertising Cooperative program is established, Franchisee shall contribute the amount to be determined by the respect Advertising Cooperative. Each CSG&B Business will be entitled to cast one vote for each Business owned, provided, however, that a CSG&B Business shall not be entitled to vote if it is in default under its respective franchise agreement. Franchisor reserves the right to collect local advertising cooperative contributions on behalf of the Advertising Cooperative, in which case local advertising cooperative contribution is payable in the same manner as the Royalty Fee.

ARTICLE VIII

CONFIDENTIAL INFORMATION

8.1 **Development of Confidential Information**. "Confidential Information" includes (without limitation) all information, knowledge, trade secrets or know-how utilized or embraced by the System and/or imparted to Franchisee by Franchisor or any of its affiliates which concerns Franchisee's or Franchisor's systems of operation, programs, services, products, customers, practices, materials, books, records, manuals, computer files, databases or software; all elements of the System; all programs, products, services, equipment, technologies, policies, standards, requirements, criteria and procedures that now or in the future are a part of the System; brand standards; specifications, procedures, systems, techniques and activities used or employed by Franchisor or Franchisee in the Franchised Business; all pricing information (including the identity of vendors and suppliers); specifications, construction plans, build out, design, renovation, décor, equipment, signage, furniture, fixtures and trade dress elements of CSG&B Business; all information relating to the Computer and POS Systems hardware and software utilized by Franchisor or Franchisee; all information with respect to advertising, marketing, and promotions; the Operations Manual; all customer lists, data and records generated and/or otherwise maintained by the CSG&B Business; our internet/website/social media protocols, procedures and content (including electronic data, data files, user names and passwords); training and other instructional programs and materials; all elements of Franchisor's recommended staffing, staff training and staff certification policies and procedures; all communications between Franchisor and Franchisee; additions or improvements to, deletions from and modifications and variations of the components of the System Franchisor employs now or in the future; research, development for products, services and operations; and, all other information, knowledge and know-how which either Franchisor or its affiliates, now or in the future, designate as confidential.

Franchisor is the sole owner of the Confidential Information.

8.2 **Acknowledgments**. Franchisee acknowledges and agrees that it has not and will not acquire any interest in Confidential Information, other than the right to use it as specified in this Agreement in operation of the Franchisee's Business during the Term.

All Confidential Information furnished to Franchisee by Franchisor (or on Franchisor's behalf), whether orally or by written material (i) shall be deemed proprietary, (ii) shall be held by Franchisee in strict confidence, (iii) shall not be copied, disclosed, revealed to or shared with any other person except with those employees or contractors who have a need to know such Confidential Information for purposes of this Agreement and who are under a duty of confidentiality no less restrictive than Franchisee's obligations hereunder, and (iv) shall not be used in connection with any other business or capacity.

Franchisee further agrees that it will never divulge or use any of the Confidential Information for the benefit of Franchisee, its owners or any third party. Franchisee agrees that it will not directly or indirectly aid any such third party to imitate, duplicate or "reverse engineer" any of the Confidential Information.

Franchisee agrees to protect the Confidential Information from unauthorized use, access or disclosure in the same manner as it protects Franchisee's own confidential or proprietary information of a similar nature and with no less than reasonable care. Franchisor may require Franchisee to have its employees and contractors execute non-disclosure agreements to protect the Confidential Information.

8.3 **Innovations**. Franchisor (or its affiliates) is the sole owner of all rights, title, and interest in and to the System and any Confidential Information. All improvements, developments, derivative works, enhancements, or modifications to the System and any Confidential Information, ideas, concepts, techniques, or materials relating to CSG&B Business (the "Innovations"), whether or not protectable intellectual property and whether created by or for Franchisee or its owners or employees, must be promptly disclosed to Franchisor and will be deemed to be Franchisor's sole and exclusive property, part of the System, and works made-for-hire for Franchisor. Any Innovations shall be approved by Franchisor prior to Franchisee's use. Franchisee warrants that Franchisee's employees and contractors are bound by written agreements assigning all rights in and to any Innovations developed or created by them to Franchisee. To the extent that any Innovation does not qualify as a "work made-for-hire" for Franchisor, by this paragraph Franchisee hereby assigns ownership of that item and all related rights to that item to Franchisor, hereby waives all rights in that item, and hereby agrees to take whatever actions that Franchisor may request to transfer ownership. If Franchisor is unable for any reason, after reasonable effort, to secure Franchisee's signature on any document needed in connection with the actions specified in this Section, Franchisee hereby irrevocably designate and appoints Franchisor and its duly authorized officers and agents as Franchisee's agent and attorney in fact, which appointment is coupled with an interest and is irrevocable, to act for and on Franchisee's behalf to execute, verify, and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section with the same legal force and effect as if executed by Franchisee. The obligations of this Section shall survive any expiration or termination of the Agreement.

ARTICLE IX

TRADEMARKS. TRADENAMES. PROPRIETARY INFORMATION

9.1 **Use of Marks**. Franchisee expressly understands and acknowledges that Franchisor and/or Franchisor's affiliate(s) are the record owner of the Marks. Franchisee hereby acknowledges that Franchisor has the sole right to license and control use of the Marks and that such Marks shall remain under the sole and exclusive ownership of Franchisor.

Franchisee's right to use the Marks is derived solely from the license granted under the terms of this Agreement, and is limited to Franchisee's use of the Marks in connection with its operation of the Franchised Business pursuant to and in compliance with the terms of this Agreement and all applicable standards, specifications, and operating procedures prescribed by Franchisor from time to time during the term hereof. The Marks that Franchisee has the license to use in accordance with this Agreement are depicted on the attached Exhibit C.

Any unauthorized use of the Marks by Franchisee will constitute an infringement of Franchisor's rights and a material and incurable breach of this Agreement which, unless Franchisor waives the breach, will entitle Franchisor to terminate this Agreement immediately upon notice to Franchisee, with no opportunity to cure.

Franchisee agrees not to apply for or obtain any trademark or service mark registration of any of the Marks or any confusingly similar marks in its own name.

9.2 **Goodwill Associated with the Marks**. This Agreement confers no goodwill or other interest in the Marks upon Franchisee, except the right to use the same in connection with the Franchised Business and its operation of the Franchised Business conducted pursuant to this Agreement. The Mark and any goodwill associated with the Marks shall be the property of Franchisor. Franchisee agrees that Franchisee will not, during or after the Term, impair the goodwill associated with Marks or in any way dispute or impugn the validity of the Marks, Franchisor's rights (or those of its affiliates) to the Marks, or the rights of Franchisor, its affiliates, other franchisees or third parties to whom Franchisor may have licensed the Marks.

9.3 **Display of the Marks**. Franchisee shall affix the Marks in the Premises, CSG&B Business's point-of-sale materials, signs, stationery, advertising, sales, marketing and promotional materials and other objects in the size, color, lettering style and fashion and at the places which Franchisor designates. Franchisee also agrees to display the Marks and relevant trademark and copyright notices pursuant to the requirements communicated by Franchisor. No trademarks, logotypes, names, symbols or service marks other than the Marks may be used by or in connection with the Franchised Business in any fashion whatsoever except as Franchisor may expressly provide and approve in writing.

Except as permitted in the Operations Manual, Franchisee agrees not to use any of the Marks as part of an electronic mail address, or on any sites on the Internet or World Wide Web and Franchisee agrees not to use or register any of the Marks as a domain name on the Internet.

9.4 **Conditions to Use of the Marks**. Franchisee shall use the Marks to identify the Franchised Business upon the following terms and conditions:

(a) The Marks shall be used without any prefix or suffix;

(b) Franchisee shall not use the Marks as part of any modifying words, terms, designs or symbols (other than logos licensed to Franchisee hereunder), nor as part of a corporate or trade name, nor in any modified form; and

(c) Franchisee shall identify himself as the independent owner of the Franchised Business only in the manner prescribed by Franchisor.

9.5 **Licensed Methods**. Franchisee hereby acknowledges that Franchisor owns and controls the distinctive plan for the establishment, operation and promotion CSG&B businesses and all related licensed methods of doing business (i.e., "Licensed Methods" or the "System"), which include, but are not limited to, operating indoor golf simulators, technical equipment standards, customer relations, marketing techniques, written promotional materials, advertising, and accounting systems, all of which constitute trade secrets of Franchisor, and Franchisee acknowledges that Franchisor has valuable rights in and to such trade secrets. Franchisee further acknowledges that it has not acquired any right, title or interest in the Licensed Methods except for the right to use the Licensed Methods in the operation of CSG&B Business as set forth in this Agreement.

9.6 Fictitious Business Names. Non-Use of Trade Name. Franchisee is expressly prohibited from using the Marks or similar words or symbols in its business name. Franchisee must operate and advertise its Franchised Business under the assumed business name "CSG&B," without prefix or suffix. Franchisee agrees, at its expense, to perform all filings and procure all required or necessary government approvals or registrations required to do business under that assumed business name; to comply with any Franchisor's instructions regarding maintenance of any trade name or fictitious business name registrations; and to execute any documents Franchisor requires to protect the Marks and their validity and enforceability. Franchisee must never identify itself as an agent of Franchisor. Franchisee must conspicuously identify itself, and its Franchised Business as an independently owned and operated franchised business in all dealings with customers, contractors, suppliers, public officials and members of the public, and in all advertising, promotion and marketing related to the Franchised Business.

Franchisee shall place a notice of independent ownership at the Premises and on the Franchised Business's printed materials, business cards, stationery, marketing and advertising materials, signs and other written or electronic modes in the form, size and manner Franchisor specifies.

9.7 Prohibited Use of Marks. Franchisee shall not use the Marks in any manner that may result in liability of Franchisor for any indebtedness or obligation of Franchisee. The prohibition shall include, but is not limited to, use of the Marks in connection with the execution of any application for any license or permit, contract, purchase agreement, check, negotiable instrument or other legal obligation. Franchisee shall not use the Marks in connection with the performance or sale of any unauthorized services or products, nor in any other manner not expressly authorized in writing by Franchisor.

9.8 Effect of Termination. In the event this Agreement is terminated for any reason or expires, Franchisee shall immediately cease using any of the Licensed Methods and Marks, trade names, trade dress, trade secrets, copyrights or any other symbols used to identify CSG&B Business, and all rights Franchisee had to the same shall automatically terminate. Franchisee agrees to execute any documents of assignment as may be necessary to transfer any licensed use Franchisee may have in and to the Marks.

9.9 Notification of Infringement. Franchisee shall notify Franchisor immediately of any apparent infringement that comes to Franchisee's attention or of challenge to Franchisee's use of, or right to use the Marks, or claim by any person of any right in the Marks. Franchisee shall not communicate with any person other than Franchisor and its counsel in connection with any such infringement, challenge or claim. Franchisor shall have sole discretion to take or refrain from taking such action as it deems appropriate and shall have the exclusive right to control any litigation or Patent and Trademark Office proceeding or other proceeding arising from any such infringement, challenge or claim or otherwise relating to the Marks. Franchisee shall execute all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of Franchisor's counsel, be necessary or advisable to protect and maintain the interests of Franchisor in any litigation, Patent and Trademark Office or other proceedings, or otherwise to protect and maintain Franchisor's interest in the Marks. Franchisee has no right to settle or compromise any claims. Franchisor will not have any obligation to Franchisee under this Section if the claims arise out of or relate to Franchisee's use of any of the Marks and/or copyrights in violation of the terms of this Agreement.

9.10 **Claim of Infringement Due to Acts of Franchisee**. If a claim, suit or demand as to proprietary mark infringement arises due to the actions or omissions of Franchisee, Franchisee shall pay all damages, costs and expense incurred, including attorneys' fees, notwithstanding the foregoing provisions.

9.9 **Franchisor's Use of the Marks**. Franchisor retains the right in its sole discretion to provide, distribute, and sell products and services authorized for CSG&B franchises under the Marks or other marks, trademarks, logos, and commercial symbols, through wholesale, and other channels of distribution.

9.10 **Modification or Discontinuance of Service Marks; Franchisor's Duty to Replace Service Mark(s); Limitation on Damages to Franchisee**. If Franchisor decides to modify or discontinue the use of the Marks, Franchisee shall comply with Franchisor's directions to modify or otherwise discontinue the use of such Marks within a reasonable time after receipt of notice thereof from Franchisor, at Franchisee's sole expense.

ARTICLE X

REVIEWS, INSPECTIONS AND NOTICE OF COMPLAINTS

10.1 **Review and Inspection of Premises.** In order to determine whether Franchisee is in compliance with this Agreement and with the required standard and procedures, Franchisor or its designated agents shall have the right, at reasonable times and without prior notice to Franchisee, to (1) inspect the Franchised Business (including, without limitations, observe operations, conduct a physical inventory, etc.); (2) observe Franchisee and any employee of Franchisee; (3) interview any employees of Franchisee; and (4) interview customers of Franchisee. Franchisee shall present to its customers such evaluation forms as are periodically prescribed by Franchisor and shall participate and/or request its customers to participate in any marketing surveys performed by or on behalf of Franchisor.

10.2 **Notice of Complaints.** Franchisee shall notify Franchisor in writing within five (5) calendar days after the receipt by it of notice of:

(a) commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality that may adversely affect the operation or financial condition of Franchisee;

(b) Violation of any law, ordinance, or regulation;

(c) Any complaint (however denominated or captioned) by any regulatory agency;

(d) Safety or health violations;

(e) Claims exceeding One Thousand Dollars ($1,000); and

(f) Any other material claims against Franchisee.

Franchisee (and its employees) shall handle all customer complaints, refunds, returns, and other adjustments in a manner that will not detract from the name and goodwill of the Marks, the System or Franchisor. Franchisor may, in its sole discretion, at any time resolve any customer complaint on Franchisee's behalf, in which case, Franchisee shall reimburse Franchisor for our out-of-pocket costs in resolving such complaint.

ARTICLE XI

TRANSFERS

11.1 By Franchisor. In the event Franchisor sells and/or transfers the System and the Marks, which would include all franchise agreements, this Agreement may be assigned or transferred by Franchisor without the approval or consent of Franchisee and shall ensure the benefit of any assignee, transferee, or other legal successor to the interest of Franchisor herein.

11.2 By Franchisee Generally. Franchisee understands and acknowledges that the rights and duties this Agreement creates are personal to Franchisee (and to its owners, if Franchisee is an Entity) and that Franchisee has granted the Franchised Business to Franchisee in reliance upon perceptions of Franchisee's individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, none of the following may be transferred without Franchisor's prior express written approval:

(a) This Agreement, any interest therein or the rights and obligations contained in this Agreement;

(b) All or substantially all the Franchised Business's assets;

(c) Any ownership interest in Franchisee whether capital or profit interests (regardless of its size) or any change in control in Franchisee; or

(d) Any ownership interest in any of Franchisee's owners or any change in control in such entities (if such owners are legal entities).

A transfer of any ownership, possession, or control, or substantially all the assets of the Franchised Business, may be made only with the prior written consent of Franchisor. Any attempt to assign or transfer ownership, possession, or control, or substantially all of the assets of the Franchised Business without Franchisor's prior written consent is null and void and constitutes a material breach of this Agreement.

The term "Transfer" shall be interpreted broadly and shall include a voluntary, involuntary, direct, or indirect assignment, sale, gift, or any other disposition. For clarification purposes, "transfer" includes, without limitations, the following events:

(a) The transfer or the offer of any such interest in Franchisee by means of a private sale, a public offering or a private offering which requires that the prospective purchaser be provided a disclosure document; a divorce of Franchisee (or its owner); a disposition on or resulting from death of Franchisee (or its owner); an insolvency or dissolution proceeding, or otherwise by operation of law;

(b) A merger or consolidation or issuance of additional securities or other forms of ownership interest in Franchisee;

(c) Any debt or sale of security which is convertible to an equity interest in Franchisee; or

(d) The grant of a mortgage, pledge, collateral assignment or other transaction designed to create a lien or other encumbrance, and a transfer which results therefrom; and any other transfer, surrender, or loss of possession, control, or management of the Franchised Business.

11.3 Assignment by Franchisee to a Business Entity. If Franchisee is an individual and desires to transfer his/her interest in the Franchised Business to a business entity of which the Franchisee has exclusive control (including, without limitation, a revocable trust formed for the sole benefit of Franchisee), Franchisee must obtain Franchisor's prior written consent. Franchisor will not unreasonably withhold consent if all the following conditions are met:

(a) The business entity must be newly organized and duly formed, and its activities must be confined exclusively to serving as "Franchisee" under this Agreement (unless Franchisor otherwise consents in writing);

(b) Franchisee must be the sole and exclusive owner of all ownership interests in the business entity and be its Operating Principal.

(c) Franchisee and the business entity must execute an agreement with Franchisor under which Franchise and the business entity agree to be jointly and severally liable for all duties, responsibilities and obligation under this Agreement and expressly agree to be bound by all of the terms, conditions and covenants of this Agreement. Each then-current and future owner of any interest in the business entity must agree in writing to personally guarantee the performance by the business entity of Franchisee's obligations under this Agreement, and to be individually bound by all of the terms and conditions of this Agreement and any other agreements between Franchisee and Franchisor; and

(d) The business entity must comply in all respects with the requirements and prohibitions set forth in this Agreement.

Any transfer pursuant to this Section will not be subject to Franchisor's right of first refusal below and will not require Franchisee to pay Franchisor any transfer fees.

11.4 Assignment by Franchisee to Third Party. Subject to Franchisor's right of first refusal set forth below, Franchisee shall seek Franchisor's consent to any transfer to a third party.

Franchisor may impose, among other requirements, the following conditions to grant its consent to any transfer to third party:

(a) That the proposed assignee possesses the skills, qualifications, financial condition, background, reputation, financial resources, education, managerial and business experience, moral character, credit rating and ability to assume Franchisee's duties and obligations under this Agreement and any successor and related agreement.

(b) Franchisee has paid all costs of any due diligence conducted by Franchisor.

(c) That the proposed assignee complies with all requirements of this Agreement, Operations Manual, and all other applicable agreements and restrictions.

(d) If applicable, the landlord of the Franchised Business consents in writing to the assignment to the proposed assignee.

(e) As of the date of the assignment, Franchisee is not in default under any provisions of this Agreement or any other agreement or arrangement with Franchisor or its affiliates, and have fully satisfied in all respects all its accrued and/or then-current monetary and other obligations to Franchisor and its affiliates (under this Agreement or otherwise).

(f) As determined by Franchisor, the assignee executes an assignment and assumption of the current Franchise Agreement or a new Franchise Agreement, and all other agreements required to be signed by new franchisees, in the form and on the terms and conditions Franchisor then offer to new franchisees, which terms and conditions may vary significantly from this Agreement.

(g) That the assignee has acquired or will be able to immediately acquire following the execution of the new Franchise Agreement, all permits, licenses and other authorizations required by any federal, state or local, rule or regulation to operate the Franchised Business.

(h) Franchisee shall remain fully liable and responsible for all of its obligations to Franchisor and its affiliates under this Agreement which arose in connection with the operation of the Franchised Business prior to the effective date of the assignee's new Franchise Agreement.

(i) If the proposed assignee is an Entity, its owners have executed the Guaranty.

(j) The Franchised Business is renovated, remodeled and upgraded to conform to then-current standards and specifications.

(k) Franchisee has paid Franchisor a transfer fee in the amount of Seven Thousand and Five Hundred Dollars ($7,500), plus all third-party fees and cost incurred with respect to the assignment to the assignee, including broker, legal, accounting and other fees and expenses.

(l) That neither the proposed assignee nor any of its owners or affiliates directly or indirectly owns, operates or has any interest in, or has a material business relationship with any Competitive Business.

Additionally, Franchisee has agreed that its obligations to indemnify and hold Indemnified Parties extends to and embraces liabilities arising from or relating to, directly or indirectly, any statements, representations or warranties that Franchisee may give to or receive from any proposed assignee and/or any claim that Franchisee or assignee engaged in fraud, deceit, violation of franchise laws or other illegality in connection with the negotiation or consummation of the assignment. As with all other indemnification obligations set forth in this Agreement, this specific indemnification obligation will survive the termination or expiration of this Agreement. Franchisor's approval of any assignment transaction will not constitute a waiver of any claims against Franchisee, under this Agreement or otherwise. Franchisor will not unreasonably withhold its approval, but its approval may be denied if any of the conditions set forth above are not satisfied or for any other reason.

11.5 Transfer Upon Death or Disability.

(a) Generally. Upon Franchisee's or its owner's death ("Death") or Disability, the executor, administrator, conservator, guardian, or other personal representative, as the case might be (collectively, the "Representative"), must transfer Franchisee's interest in this Agreement to a third party in accordance with the transfer restrictions set forth in Section 11.4 above. That transfer must be completed within a reasonable time, not to exceed one hundred and eighty (180) calendar days from the date of Death or Disability and is subject to all the terms and conditions in this Agreement, and specifically, this Article XI.

(b) Operation upon Death or Disability. If, upon the event of Death or Disability, an Operating Principal previously approved by Franchisor is not managing the Franchised Business, the Representative must appoint a new Operating Principal within fifteen (15) calendar days of the date of Death or Disability. The new Operating Principal must complete Franchisor's standard training program at Franchisee's expense, as set forth in this Agreement.

If, in Franchisor's judgment, the Franchised Business is not being managed properly after the event of Death or Disability, Franchisor may, but need not, assume the management of the Franchised Business or appoint a third party to assume the management. All funds from the Franchised Business's operation while it is under Franchisor's (or the third party's) management will be kept in a separate account, and all expenses will be charged to this account. Franchisor will charge Franchisee a monthly management fee in the amount of ten (10%) percent of Gross Revenues collected over the preceding month (the "Management Fee"). The Management Fee is due and payable on the fifth (5^{th}) day of each month for the collections over the previous month. The Management Fee is due and payable in addition to any other amounts due under this Agreement.

Franchisor (or its designee) will have a duty to utilize only reasonable efforts and will not be liable to Franchisee or its owners for any debts, losses, or obligations the Franchised Business incurs, or to any of its creditors for any products, other assets, or services the Franchised Business provides and sells, while Franchisor (or a third party) manage the Franchised Business.

11.6 Right of First Refusal. Franchisee's rights to assign, transfer, redeem or sell any interest in this Agreement or the Franchised Business, voluntarily or by operation of law (as provided above), will be subject to Franchisor's right of first refusal, which right of first refusal Franchisor may freely assign to any individual or entity.

Franchisor will exercise the right of first refusal in the following manner:

(a) Franchisee must deliver to Franchisor a true and complete copy of the proposed assignee's offer (the "Offer") including all its terms and furnish to Franchisor any additional information concerning the proposed transaction and the proposed assignee that Franchisor reasonably request.

(b) Franchisor shall have sixty (60) calendar days following Franchisor's receipt of the Offer (or, if it requested additional information, sixty (60) calendar days following the receipt of the additional information) to conduct due diligence into the transaction (the "Due Diligence Period").

(c) Franchisor may, by written notice deliver to Franchisee during fifteen (15) calendar days following the Due Diligence Period, elect to purchase the interest offered for the price and on the terms and conditions contained in the Offer, provided that: (1) Franchisor may substitute cash for any form of payment proposed in the Offer; (2) Franchisor's credit will be deemed equal to the credit of any proposed buyer; (3) Franchisor will have an additional thirty (30) calendar days to prepare for closing after notifying Franchisee of its election to purchase; and (4) Franchisor must receive, and Franchise and its owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the ownership interests in a legal entity, as applicable.

(d) If Franchisor exercises its right of first refusal, Franchisee and its owners shall agree to be bound by the restrictive covenants set forth in Section 12.3 of this Agreement.

(e) Franchisor has the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section.

(f) If Franchisor did not exercise its right of first refusal, Franchisee (or its owners) may complete the sale to the proposed buyer on the original Offer's terms, but only if Franchisor approves the transfer in accordance with this Agreement.

(g) If Franchisee did not complete the sale to the proposed buyer within sixty (60) calendar days after Franchisor notifies of its intend not to exercise the right of first refusal, or if there is a material change in the terms of the sale, Franchisor (or its designee) will have an additional right of first refusal during the thirty (30) calendar day period following either the expiration of the sixty (60) calendar day period or the receipt by Franchisor of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at Franchisor's (or its designee's) option.

ARTICLE XII

TERMINATION

12.1 <u>Termination by Franchisor</u>. Franchisor may terminate this Agreement, effective upon delivery of written notice of termination to Franchisee, if:

(a) Franchisee becomes insolvent;

(b) Franchisee, any of its owners or Guarantors is adjudicated as bankrupt or insolvent;

(c) All or a substantial portion of the assets of the Franchised Business are assigned to or for the benefit of any creditor or creditors;

(d) A petition in bankruptcy is filed by or against Franchisee, any of its owners or Guarantors, and such petition is not dismissed or vacated within sixty (60) calendar days from filing;

(e) Franchisee, any of its owners or Guarantors admits in writing its/their inability to pay debts when due;

(f) Franchisee, any of its owners or Guarantors thereof cause, permit or acquiesce in an order for relief under the U.S. Bankruptcy Code or any other applicable federal or state bankruptcy, insolvency, reorganization, receivership or other similar law now or hereafter in effect, or consent to the entry for an order for relief in an involuntary proceeding or to the conversion of an involuntary proceeding to a voluntary proceeding, under any such law;

(g) An assignment for the benefit of creditors, bill in equity or other proceeding for the appointment of a receiver or other custodian of Franchisee, any of its owners or Guarantors, or the assets of any of them, is filed and consented to by Franchisee; a receiver or other custodian (permanent or temporary) of all or part of the assets or property of Franchisee, any of its owners or Guarantors is appointed by any court of competent jurisdiction;

(h) Proceedings for a composition with creditors under any federal or state law are instituted by or against Franchisee, any of its owners or Guarantors thereof;

(i) Franchisee, any of its owners or Guarantors dissolve or liquidate the assets of the Franchised Business;

(j) Execution is levied against Franchisee, any of its owners or Guarantors thereof and/or the property of any of the foregoing;

(k) The property of the Franchised Business is sold after levy thereon by any governmental body or agency, sheriff, marshal or other person authorized under federal, state and/or local law;

(l) A final court judgment against Franchisor remains unsatisfied or of record for thirty (30) calendar days or longer (unless supersede as bond is filed);

(m) Franchisee fails to locate an acceptable site for the Premises within ninety (90) calendar days , as set forth in Section 3.1 (b);

(n) Franchisee fails to sign a lease for the Premises within one hundred eighty (180) calendar days, as set forth in Section 3.2;

(o) Franchisee has not opened the Franchised Business to the general public by the date specified in Section 3.3(e) of this Agreement;

(p) Franchisee ceases operating the Franchised Business; abandoned the franchise relationship or failed to operate the Franchised Business for ten (10) calendar consecutive days;

(q) Franchisee omits or misrepresents any material fact in the information that was furnished to Franchisor;

(r) Franchisee fails to attend or successfully complete the Initial Training Program;

(s) Franchisee loses the right to possession of the Premises or defaulted on the lease agreement for the Franchised Business;

(t) Franchisee or any of its owners is convicted of a felony, fraud, crime involving moral turpitude, or any other crime or offense which Franchisor reasonably believes is related to the operation of the Franchised Business, or is likely to have an adverse effect on the System, the Marks, or the goodwill of Franchisor;

(u) Franchisee attempts to transfer any rights or obligations under this Agreement in violation of the terms of this Agreement;

(v) Franchisee or any or its owners fails to comply with the covenant not to compete set forth in this Agreement or violated the restrictions pertaining to the use of Confidential Information contained in this Agreement;

(w) Franchisee violates any law, ordinance, rule or regulation of a governmental agency in connection with the operation of the Franchised Business and fail to correct such violation within 72 hours after it receive notice from us Franchisor any other party, regardless of any longer period of time that any governmental authority or agency may have given Franchisee to cure such violation, or Franchisee created or allowed to exist any condition in or at the Premises or in connection with the operation of the Franchised Business which Franchisor reasonably determined to present a health or safety concern for customers or employees;

(x) Franchisee fails to pay Franchisor or its affiliates any amounts due and did not correct the failure within ten (10) calendar days after written notice of that failure has been delivered or fail to pay any third-party obligations owed in connection with its ownership or operation of the Franchised Business and did not correct such failure within any cure periods, if any;

(y) Intentionally omitted;

(z) Franchisee interferes or attempts to interfere in any manner with any business relations of Franchisor;

(aa) Franchisee commits any act that impairs the goodwill associated with the goodwill of the Marks, the System, or Franchisor;

(bb) Franchisee knowingly or through gross negligence, conceals revenues; maintains false books or records; falsifies information or otherwise makes false representations to Franchisor;

(cc) Franchisee fails to pay when due any federal or state income, service, sale, use, employment or other taxes due;

(dd) Franchisee fails to comply with any provision of any other agreement (including any development agreement or other franchise agreement) with Franchisor or its affiliate and did not correct such violation within the applicable cure period, if any

(ee) Franchisee fails to pass a quality assurance audit, and did not cure such violation within fifteen (15) calendar days after Franchisor delivered written notice of the same;

(ff) Franchisee (or any of its owners) (a) fail on three or more separate occasions within any 12 consecutive month period to comply with this Agreement, whether or not Franchisor notified Franchisee of such violations, and, if Franchisor did notify Franchisee, whether or not Franchisee corrected the violations after the delivery of notice to it; or (b) fail on two or more separate occasions within any six consecutive month period to comply with the same obligation under this Agreement, whether or not Franchisor notified Franchisee of the violation, and, if Franchisor did notify it of the violation, whether or not Franchisee corrected the violation after Franchisor's delivery of notice to it;

(gg) Franchisee violates any law, ordinance rule or regulation of a governmental agency in connection with the operation of the Franchised Business; or

(hh) Franchisee (or any of its owners) fails to comply with any other provision of this Agreement or the System and has not corrected the failure within thirty (30) days after written notice of such violation.

12.2 <u>Obligations Upon Termination or Expiration.</u>

(a) Payments upon Termination. Franchisee shall pay to Franchisor (or its affiliates) all fees, costs and all other amounts owed to Franchisor plus interest and late charges, within fifteen (15) calendar days after the date of termination or expiration of this Agreement, or such later date on which the amounts due to Franchisor are determined.

(b) <u>Other Obligations Upon Termination.</u> Upon termination or expiration of the Agreement, Franchisee shall:

- **(i)** Pay all sums that are due and payable under this Agreement;
- **(ii)** Not directly or indirectly at any time or in any manner identify itself or any other business as a current or former CSG&B franchisee or as otherwise associated with Franchisor (other than under this Agreement with Franchisor), or use any Marks or any colorable imitation thereof, trade name, service marks, or trademark or other commercial symbols that suggests or indicates a connection or association with Franchisor in any manner for any purpose;
- **(iii)** Within seven (7) calendar days after termination or expiration of this Agreement, remove all signs, and return to Franchisor all marketing materials and other materials containing the Marks or otherwise identifying or relating to CSG&B Business;

(iv) Within seven (7) calendar days after termination or expiration of this Agreement, discontinue all advertising as CSG&B Business, and if Franchisor requests, assign all telephone numbers to Franchisor;

(v) Within seven (7) calendar days after termination or expiration of this Agreement, take action or cancel all fictitious, assumed names, or equivalent registration relating to the use of any Marks;

(vi) Within seven (7) calendar days after termination or expiration of this Agreement, remove all Marks and deliver to Franchisor all branded apparel;

(vii) Immediately cease and desist from the use of any of the Confidential Information, and return any confidential materials that have been loaned to Franchisee by Franchisor, including, but not limited to, the Operations Manual and any modifications thereof;

(viii) Promptly and at Franchisee's expense, make alterations to the Premises to distinguish them from former appearance as CSG&B Business; and

(ix) Furnish evidence satisfactory to Franchisor of Franchisee's compliance with the foregoing obligations within thirty (30) calendar days after termination or expiration of this Agreement.

12.3 Restrictive Covenants.

(a) Non-Competition. During the term of this Agreement and for a five (5) year period of the expiration or termination of this Agreement for any reason, Franchisee and all of its owners shall not, anywhere in the United States of America:

(i) Have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, lessor, representative, or agent in any Competitive Business;

(ii) Divert or attempt to divert any actual or potential business, sites or customers of any CSG&B Business; and

(iii) Appropriate, use or duplicate (whether directly or indirectly), the System, the Marks, or any portion thereof for use in any other business or endeavor.

For clarification purposes, these restrictions shall apply to all transferors upon completion of the transfer.

(b) Non-Solicitation. During the term of this Agreement and for a five (5) year period of the expiration or termination of this Agreement for any reason, Franchisee and all of its owners shall not:

(i) Recruit, contract with, or hire any person who is then or was, within the immediately preceding twenty-four (24) months, employed by Franchisor or any of its affiliates as manager, operator, or any comparable position at any CSG&B Business;

(ii) Interfere or attempt to interfere with Franchisor's or its affiliates' relationships with any supplier, vendors, or business or consultant; or

(iii) Engage in any other activity which might injure the goodwill of Franchisor, the Marks or the System.

12.4 **<u>Right to Purchase CSG&B Business.</u>** Within thirty (30) calendar days after termination or expiration of this Agreement, Franchisor shall have the right, but not the obligation, to purchase any and all equipment, supplies, and other inventory, advertising materials, merchandise, and all items bearing Franchisor's Marks, at Franchisee's cost or fair market value, whichever is less. All products which are not saleable are to be excluded. If the parties cannot agree on fair market value within thirty (30) calendar days after the date of the notice of intent to purchase, an appraisal by an independent appraiser acceptable to Franchisee and designated by Franchisor, shall be binding. If Franchisor elects to exercise this option to purchase, it shall have the right to set off all amounts due from Franchisee under this Agreement or otherwise, and the cost of the appraisal, if any, against any payment therefor. Franchisor has the unrestricted right to assign this purchase option in its sole discretion.

12.5 **<u>Remedies; Liquidated Damages.</u>** If this Agreement is terminated because of Franchisee's default, Franchisee agrees that it would be difficult if not impossible to determine the amount of damages that Franchisor would suffer due to the loss or interruption of the revenue stream it otherwise would have derived from Franchisee's continued payment of fees due under this Agreement (the "Damages").

As such, Franchisee agrees that a reasonable estimate of the Damages is an amount equal to the combined monthly average of Royalty Fees that were due to Franchisor by Franchisee, beginning with the date Franchisee opened the Franchised Business through the date of early termination, multiplied by the lesser of: (i) thirty-six (36), or (ii) the number of months remaining in the term of the Franchise Agreement.

Franchisee agrees that the calculation described in this Section is a calculation only of the Damages and that nothing herein shall preclude or limit Franchisor from proving and recovering any other damages caused by Franchisee's breach of this Agreement.

12.6 **<u>Continuing Obligations.</u>** All of Franchisee's and its owners' obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect after and, notwithstanding its expiration or termination, until they are satisfied in full or by their nature expire.

ARTICLE XIII

RELATIONSHIP OF THE PARTIES

13.1 **<u>Franchisee/Franchisor Relationship</u>**. At all times, Franchisee shall be an independent contractor. This Agreement does not create a fiduciary relationship between Franchisor and Franchisee, and nothing in this Agreement is intended to make either party an agent, joint venturer, partner, or employee of the other.

Franchisee must identify itself conspicuously in all dealings with customers, suppliers, public officials, its personnel, and others as the owner of the Franchised Business under a franchise and is required to place notices of independent ownership within the Premises and on the forms, business cards, stationery, advertising, and other materials Franchisor may require from time to time.

13.2 No Right to Incur Liability on Behalf of the Other. Except as expressly authorized by this Agreement, neither party shall make any express or implied agreement, warranty, guarantee or representation, or incur any debt in the name of or on behalf of the other, nor represent that their relationship is other than that of franchisor and franchisee. Neither party shall be obligated by or have any liability under any agreement or representation made by the other that is not expressly authorized hereunder.

13.3 Damages Due to Franchisee's Conduct. Franchisor will not be responsible for any damages to any person or property arising out of Franchisee's operation of the Franchised Business, whether caused directly or indirectly, by Franchisee's negligence or willful action or failure to act.

Franchisor will have no liability for any Franchisee's obligations to pay any third parties, including any product vendors. Franchisee agrees that any employee, agent or independent contractor that Franchisor hires will be its employee, agent or independent contractor, and not Franchisor's employee, agent or independent contractor.

13.4 Franchisee's Liability for Taxes or Assessments. Franchisor will have no liability for any sales, use, occupation, excise, gross receipts, income, property or other taxes or assessments imposed because of or in connection with Franchisees operations of the Franchised Business.

Franchisee is responsible for paying these taxes and must reimburse Franchisor for any such taxes that it paid to any state taxing authority on account of Franchisee's operation or payments that Franchisee made to Franchisor.

ARTICLE XIV

INDEMNIFICATION

Franchisee agrees to indemnify, defend, and hold harmless Franchisor, its affiliates, and the respective owners, members, managers, officers, employees, agents, successors, and assignees (the "Indemnified Parties") against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of the operation of the Franchised Business, the business Franchisee conducted under this Agreement, or Franchisee's breach of this Agreement, including, without limitation, those alleged to be caused by the Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by the Indemnified Party's intentional misconduct in a final, unappealable ruling issued by a court with competent jurisdiction. For purposes of this Section, "claims" shall include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation or alternative dispute resolution, regardless of whether litigation or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at Franchisee's expense and may agree to settlements or take any other remedial, corrective, or other actions. This indemnity shall continue in full force and effect after and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, to maintain and recover fully a claim against Franchisee under this Article XIV. Franchisee agrees that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from Franchisee.

ARTICLE XV

SECURITY INTEREST. ENFORCEMENT

15.1 Security Interest. As security for the performance of Franchisee's obligations under this Agreement, including payments owed to Franchisor, Franchisee hereby collaterally assigns to Franchisor the rights under the lease and grants to Franchisor a security interest in all of the Operating Assets and all other assets of the Franchised Business, including but not limited to inventory, fixtures, furniture, equipment, accounts, supplies, contracts, and proceeds and products of all those assets.

Franchisee shall execute such documents as Franchisor may reasonably request in order to further document, perfect and record the security interest. If Franchisee defaults in any of its obligations under this Agreement, Franchisor may exercise all rights of a secured creditor granted to it by law, in addition to all other rights under this Agreement and at law. This Agreement shall be deemed to be a security agreement. Franchisor is expressly authorized to file financing statements and to make such other filings in the records of any county and state that it deems appropriate to protect its interests.

15.2 Severability; Competent Jurisdiction, Etc. Except where otherwise provided, each provision of this Agreement shall be severable. Should any provision of this Agreement be declared invalid by any court, agency, or tribunal of competent jurisdiction, such decision shall not affect the validity of any remaining portion which shall remain in full force and effect as if this Agreement has been executed with such invalid portion eliminated.

To the extent that any article, section or any clause thereof may be deemed unenforceable by virtue of their scope in terms of area, business, breadth of individuals covered, activity prohibited and/or length of time, but could be enforceable by reducing any and all thereof, the parties agree such paragraph will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction in which enforcement is sought.

If any applicable law requires greater notice or some other action not required under this Agreement, or if, under any applicable law any provisions of this Agreement or any specification, standard or operating procedure prescribed by Franchisor is invalid or unenforceable, the notice and/or other action required by such law shall be substituted. Franchisor shall have the right, in its sole discretion, to modify such invalid or unenforceable provision, specification, standard or operating procedure to the extent required to be valid and enforceable. Franchisee shall be bound by the applicable laws and to strike from any provisions hereof or any standard or operating procedure prescribed by Franchisor, such portion or portions which a court may hold to be unenforceable in a final decision in an action or proceeding to which Franchisor is a party; or bound to the reduced scope of any promise or covenant to the extent required to comply with such a court order, as though such resulting promise or covenant were made a part of this Agreement. Such modifications to this Agreement shall be effective only in the jurisdiction in which such decision or order has been rendered unless Franchisor elects to give them greater applicability, and this Agreement shall be enforced as originally made and entered into in all other jurisdictions.

15.3 Waiver and Modification. Franchisor and Franchisee may, by mutual written agreement, modify, waive or reduce any obligation of or restriction upon the other contained in this Agreement. Some material modifications may require the approval of the state.

Any waiver by Franchisor shall be without prejudice to any other right Franchisor may have, will be subject to continuing review by Franchisor, and may be revoked, in Franchisor's sole discretion, at any time and for any reason upon ten (10) calendar days prior written notice to Franchisee.

Franchisor shall not be deemed to have waived or impaired any right, power, or option reserved by this Agreement (including, without limitation, the right to demand exact compliance with every term, condition, and covenant herein, or to declare any breach thereof to be a default and to terminate this Agreement prior to the expiration of its term) by virtue of (1) any custom or practice of the parties at variance with the terms hereof; (2) any failure, refusal, or neglect of either party to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations hereunder, including, without limitation, any mandatory specification, standard, or operation procedure; (3) any waiver, forbearance, delay, failure, or omission by Franchisor to exercise any right, power, or option, whether of the same, similar or different nature, with respect to other CSG&B franchisees; or (4) the acceptance by Franchisor of any payments due from Franchisee after any breach of this Agreement. A receipt by Franchisor of any fees or other amounts due with knowledge of the breach of any provision of this Agreement shall not be deemed a waiver of such breach.

15.4 Costs and Attorneys' Fees. If either party initiates an arbitration, judicial or other proceeding, the prevailing party will be entitled to reasonable costs and expenses (including attorneys' fees incurred in connection with such proceeding).

15.5 No Right To Withhold Payments. Franchisee may not withhold payment of any amounts owed to Franchisor on the grounds of the alleged nonperformance of any of Franchisor's obligations under this Agreement or for any other reason. Franchisee specifically waives any right it may have at law or in equity to offset any funds Franchisee may owe Franchisor or to fail or refuse to perform any of its obligations under this Agreement.

15.6 Rights of Parties are Cumulative. Rights under this Agreement are cumulative, and either party's exercise or enforcement of any right or remedy under this Agreement will not preclude the opposing party's exercise or enforcement of any other right or remedy which such party is entitled by law to enforce.

15.7 Dispute Resolution.

(a) Mediation. In the event of any disagreements between the parties with respect to this Agreement and/or CSG&B Business or any other matters between the parties, they shall meet in good faith at the offices of Franchisor and shall attempt, with the assistance of counsel, to amicably resolve any disputes. If such disputes cannot be resolved within thirty (30) calendar days, the parties agree to submit the dispute to mediation administered by the American Arbitration Association, pursuant to its Commercial Mediation Rules then pertaining.

(b) Arbitration. If the parties have not resolved the dispute with a help of a mediator, as set forth in Section 15.7 (a) above, then any controversy or claim between the parties shall be resolved by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction. The place of arbitration shall be the city of Cleveland, Ohio. Either party may apply to the arbitrator seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either party also may, without waiving any remedy or right to arbitrate under this Agreement, seek from any court having jurisdiction any interim or provisional injunctive relief.

(c) Intellectual Property Claims. Notwithstanding anything to the contrary set forth in Sections 15.7 (a) and 15.7 (b) above, either party may bring a claim involving an alleged infringement of any of Franchisor's intellectual property rights in a court authorized to hear such claims.

(d) Confidentiality. All documents, information, and results pertaining to any mediation, arbitration or lawsuit will be confidential, except as required by law or as required for Franchisor to comply with laws and regulations applicable to the sale of franchises.

(e) Performance During Mediation, Arbitration or Litigation. Unless this Agreement has been terminated, the parties shall comply with this Agreement and perform their respective obligations under this Agreement during the mediation, arbitration or litigation process.

15.8 Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. sections 1051 et seq.), or other United States federal law, this Agreement, the franchise, and all claims arising from the relationship between Franchisor and Franchisee will be governed by the laws of the State of Ohio without regard to its conflict of laws rules, except that any law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section. If any of the provisions of this agreement which relate to restrictions on Franchisee and its owners' competitive activities is found unenforceable under Ohio law, the enforceability of those provisions will be governed by the laws of the state in which the Franchised Business is located.

15.9 Consent to Jurisdiction. Subject to the obligation to arbitrate under Section 15.7 (b) above and the provisions below, Franchisee and its owners agree that all actions arising under this Agreement or otherwise as a result of the relationship between Franchisor and Franchisee must be commenced in state or federal courts located in Cuyahoga County, Ohio, and the parties irrevocably submit to the jurisdiction of that courts and waive any objections they may have with respect to the same.

15.10 Waiver of Punitive Damages, Jury Trial, and Class Action. Franchisee hereby waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, that Franchisee's recovery is limited to actual damages.

If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages. Nothing in this Section or any other provision of this Agreement shall be construed to prevent Franchisor from claiming and obtaining expectation or consequential damages, including lost future royalties for the balance of the term of this Agreement if it is terminated due to Franchisee's default, which the parties agree and acknowledge Franchisor may claim under this Agreement.

THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR FRACHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES.

THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRACHISEE, ITS OWNERS, AND/OR GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN THEM AND ANY OTHER THIRD PARTY.

15.11 Force Majeure. Neither party shall be liable for loss or damage, nor deemed to be in breach of this Agreement, if its failure to perform its obligations results from (1) transportation shortages, strikes, inadequate supply of equipment, merchandise, supplies, material, or energy, the involuntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations, or instructions of any federal, state, or municipal government or any department or agency thereof; (2) compliance with any law, ruling, order, regulation, requirement, or instruction of any federal, state, or municipal government or agency thereof (other than an order, requirement or instruction arising out of a violation of law by Franchisee); (3) force majeure; or (4) acts or omissions of the other party hereunder. Any delay resulting from any of these causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes shall not excuse payment or amounts owed at the time of such occurrence.

15.12 Equitable Remedies. Nothing contained herein shall bar the right of either party to obtain specific performance of the provisions of this Agreement or injunctive relief. Franchisor shall not be required to post a bond when seeking such relief against Franchisee, and Franchisee hereby waives any claims for damages in the event that an injunction obtained by Franchisor is dissolved for any reason.

15.13 Entire Agreement. This Agreement, including the recitals and exhibit(s) which are a part hereof and any other agreements, manuals or documents expressly incorporated herein, constitutes the final, complete, exclusive and fully integrated statement of their agreement except for representations made in the franchise disclosure document or in its exhibits or amendments furnished by Franchisor to Franchisee, and, except for any written modification or waiver made pursuant to this Agreement. There are no other oral or written understandings or agreements between the parties relating to the subject matter of this Agreement. **NOTHING IN THIS OR IN ANY RELATED AGREEMENT, HOWEVER, IS INTENDED TO DISCLAIM THE REPRESENTATIONS FRANCHISOR MADE IN THE FRANCHISE DISCLOSURE DOCUMENT THAT FRANCHISOR FURNISHED TO FRANCHISEE. Franchisee acknowledges that it is entering into this Agreement as a result of its own independent investigation and not as a result of any representations about Franchisor made by its shareholders, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in this Agreement, or in any disclosure document, prospectus, or other similar document required or permitted to be given to Franchisee pursuant to applicable law.** The headings are for convenience only and do not define, limit or construe the contents of any such section or paragraph or any part of this Agreement.

15.14 Binding Agreement. This Agreement shall be binding upon the parties and their respective executors, administrators, heirs, assigns, and successors in interest. Unless otherwise provided for herein, this Agreement may not be modified except by written agreement signed by both parties.

15.15 Third Parties. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity that is not a party hereto.

15.16 Approvals and Requests. Franchisor has the absolute right to refuse any request by Franchisee or to withhold its approval of any action proposed by Franchisee except where this Agreement expressly obligates Franchisor to give or withhold its approval reasonably. All approvals by Franchisor must be in writing to be effective, and Franchisor shall not be deemed to have given its approval unless first obtained in writing.

ARTICLE XVI

NOTICES AND PAYMENTS

16.1 Notices. All written notices and reports permitted or required to be delivered pursuant to this Agreement shall be deemed so delivered when delivered by hand, one business day after transmission by telegraph or other electronic system or three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to Franchisor at:

Coastal Swing
c/o Dan Halley
1871 NE Catawba Rd.
Port Clinton, OH 43452
With a copy to (such copy shall not constitute Notice hereunder)

Mansour Gavin LPA
c/o Brendon P. Friesen
1001 Lakeside Ave.
Suite 1400
Cleveland, OH 44114

and addressed to Franchisee (and its owners) as set forth on Exhibit D.

16.2 **Payments and Reports**. All payments and reports required by this Agreement shall be directed to Franchisor at the address shown above or to such other persons and places as Franchisor may from time to time direct. Any required payments not actually received by Franchisor during regular business hours on the date due (or postmarked by postal authorities at least two (2) calendar days prior thereto) shall be deemed delinquent.

ARTICLE XVII

ACKNOWLEDGMENTS

17.1 **Acknowledgment and Representation**. Franchisee hereby acknowledges and represents that:

(a) Franchisee has read and reviewed the Disclosure Document which was given to it by Franchisor at the earliest of (i) fourteen (14) calendar days prior to the date of execution of this Agreement; or (ii) fourteen (14) calendar days prior to the payment of the initial Franchise Fee required pursuant to this Agreement;

(b) Franchisee has read and reviewed this Agreement and understands and accepts the terms, conditions and covenants contained herein as being reasonably necessary to maintain and promote Franchisor's capabilities, effectiveness and standards of quality of service and the integrity of the System, and in order to protect and preserve the goodwill of the Marks;

(c) Franchisee has conducted an independent investigation of the business contemplated by this Agreement, and has not received or relied upon any guarantee, expressed or implied, concerning revenues, profits, or success of the business venture contemplated by this Agreement; and

(d) Neither Franchisor nor any of its officers, directors, shareholders, employees, or agents, has made any representation contrary to or inconsistent with any of the terms contained herein or in the Franchise Disclosure Document previously received by Franchisee.

17.2 **Capacity of Parties**. This Agreement and all business dealings between Franchisee and the officers, directors, shareholders, employees, and agents of Franchisor in connection with this Agreement are solely between Franchisee and Franchisor. Franchisor's agents have acted and will continue to act only in a representative and not an individual capacity in all dealings with Franchisee.

17.3 **Application by Franchisee**. This Agreement is entered into by Franchisor in reliance upon the information contained in the written application submitted to it by Franchisee.

Franchisee warrants and represents that the application is true and correct in all respects, and that Franchisee has made no incorrect or untrue statement in the application or failed to make any statement that would be necessary to make the statements in the application not misleading.

[The reminder of this page is intentionally left blank. Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed.

CSGB FRANCHISING LLC (Franchisor)

By: ______________________________

Name: Daniel Halley

Title: Principal

________________________ (Franchisee)

By: ______________________________

Name: ___________________________

Title: ______________________________

Exhibits:

Exhibit A - Territory

Exhibit B - Operations Manual

Exhibit C - Marks

Exhibit D – Owners and Addresses

Exhibit E - Guaranty

Exhibit F - Operating Principal

Exhibit G - Lease Rider

Exhibit H - Authorization

EXHIBIT D. **AREA DEVELOPMENT AGREEMENT**

AREA DEVELOPMENT AGREEMENT

This Area Development Agreement (this "Agreement") is made and entered into on ______________________, 202_ (the "Effective Date") by CSGB Franchising LLC, an Ohio limited liability company, with its principal place of business at 1871 NE Catawba Rd., Port Clinton, OH 43452 ("Company"), and the CSG&B Business franchisee developer identified below ("Developer"), each a "party" and both collectively, the "parties".

WHEREAS, Company has developed a proprietary system for establishing, promoting, and operating indoor golf simulator facilities with full bar services using the service marks "Coastal Swing" and "CSG&B" and certain other trademarks, service marks, names and commercial symbols (all collectively, the "Marks") and Franchisor's confidential Operations Manuals (collectively, the "System");

WHEREAS, Company desires to expand and develop its System, and seeks sophisticated and efficient multi-unit franchisees that will develop and operate numerous "CSG&B Businesses" that use the System within designated areas; and

WHEREAS, Developer desires to develop and operate "CSG&B Businesses," and Company desires to grant to Developer the right to develop and operate said businesses in accordance with the terms and upon the conditions contained in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and intending to be legally bound, the parties agree as follows:

ARTICLE I

GRANT OF AREA DEVELOPMENT FRANCHISE

1.1 During the Term (as hereinafter defined), Company grants to Developer, and Developer accepts from Company the right to develop CSG&B Businesses (i) within the Development Area, as defined in Exhibit A, attached hereto and incorporated herein by reference; and (ii) accordance with the Development Plan, defined in Section 1.2 below.

1.2 Developer, within thirty (30) days of the Effective Date of this Agreement, shall meet with Company and begin preparation of a written market development plan for the Development Area, which shall be executed by the parties and considered part of this Agreement (the "Development Plan"). The Development Plan is attached to this Agreement as Exhibit B.

The Development Plan shall specify the following:

(i) the sites for the CSG&B Businesses in the Development Area;
(ii) the "Development Periods" (defined as each of the time periods during which Developer shall have the right and obligation to construct, equip, open and thereafter continue to operate CSG&B Businesses); and
(iii) all pertinent details relating thereto.

1.3 Developer shall be responsible for developing the Development Plan. Company shall approve or disapprove the Development Plan in its reasonable discretion. Developer shall submit to Company a proposed Development Plan no later than sixty (60) days from the Effective Date of this Agreement, and Company shall approve or disapprove of the proposed Development Plan within thirty (30) days of its submission.

1.4 Developer acknowledges that this Agreement is not a franchise agreement, and it does not grant Developer any right to use the System. Each CSG&B Business contemplated under this Agreement shall be awarded pursuant to the execution by both parties of a separate franchise agreement. Attached hereto as Exhibit C is Company's standard franchise agreement (the "Franchise Agreement") in effect at the time this Agreement is executed. The franchisee (the Developer or its affiliate, as approved by Company) shall execute a Franchise Agreement for each CSG&B Businesses developed under this Agreement within the time periods set forth in the Development Plan. Each Franchise Agreement for each location will be executed with reasonable variations to be negotiated in good faith by the parties.

1.5 Developer acknowledges that this Agreement confers no marketing exclusivity in the Development Area, and that all CSG&B Businesses may solicit, service, advertise and offer their products and services to any individual or entity, regardless of the or its geographic location, including in the Development Area.

ARTICLE II

DEVELOPMENT FEE

Developer shall pay Company a development fee (the "Development Fee"). The Development Fee is calculated as the sum of: (i) Forty Thousand Dollars ($40,000) for the first franchise location required to be opened; (ii) Thirty Thousand Dollars ($30,000) for the second franchise location required to be opened; and (iii) Twenty Thousand Dollars ($20,000) for the third and each subsequent franchise location required to be opened under this Agreement. The Development Fee is due and payable by Developer upon signing of this Agreement and is not refundable.

ARTICLE III

DEVELOPER'S DEVELOPMENT OBLIGATION

3.1 **Minimum Development Obligation.** Developer shall, on its own or through its affiliates reasonably acceptable to Developer, construct, equip, open and thereafter continue to operate at agreed upon venues within the Development Area and according to the Development Plan.

3.2 **Force Majeure.** Should Developer be unable to meet the obligations set forth in this Agreement solely as the result of a Force Majeure, as hereinafter defined, Developer may request that Company extend the affected Development Periods by the amount of time during which such Force Majeure shall exist. "Force Majeure" event includes, but is not limited to, any act of God; war; riot; civil strife; act of terrorism, domestic or foreign; embargo; governmental rule, regulation or decree; flood, fire, hurricane, tornado, or other casualty; earthquake; strike, lockout, or other labor disturbance; the unavailability of labor or materials to the extent beyond the control of the party affected; or any other events or circumstances not within the reasonable control of the party affected, whether similar or dissimilar to any of the foregoing, which result in the inability of Developer to develop CSG&B Businesses as required by this Agreement, and which Developer could not by the exercise of due diligence have avoided. Company will not unreasonably decline to extend the applicable development period(s) in such event, provided that Developer shall have promptly (in any event not more than thirty (30) days after commencement of the Force Majeure event) submitted its request therefor in writing and promptly furnished Company such information concerning the circumstances as Company may reasonably require.

ARTICLE IV

EXCLUSIVITY

4.1 Exclusivity.

(a) During the Term and subject to Section (b) below, Company shall not operate or grant a license or franchise to any other person to operate a CSG&B Businesses at any site within the Development Area except as expressly permitted under this Agreement.

(b) Company expressly reserves the exclusive, unrestricted right, in its sole discretion, directly and indirectly, through its employees, affiliates, representatives, licensees, assigns, agents and others (i) to own or operate and to franchise or license others (which may include its affiliates and joint ventures in which it or its affiliates are participants) to own or operate shops, restaurants and other businesses which operate under names other than "CSG&B" at any location, and of any type or category whatsoever, and whether within or outside the Development Area, and regardless of its proximity to any CSG&B Business developed or under development or consideration by Developer; and (ii) to produce, promote, license, distribute and market CSG&B Businesses products, and products bearing other marks, including at or through any location or outlet, including grocery stores and convenience stores, and including those which may be located within the Development Area, and through any distribution channel, at wholesale or retail, including by means of mail order catalogs, direct mail advertising, the Internet, and other distribution methods.

ARTICLE V

TERM

The Term of this Agreement shall commence on the Effective Date and, unless sooner terminated in accordance with the provisions herein, shall continue for a period of five (5) years.

ARTICLE VI

TRAINING

At no extra charge, Company shall allow up to three (3) persons selected by Developer, and reasonably acceptable to Company, to attend an initial developer orientation sponsored by Company to familiarize Developer with Company's System and methods of operation. Said initial orientation program shall be for a period of up to three (3) days of training, as Company in its reasonable judgment may determine, at Company's corporate headquarters in Port Clinton, Ohio or such place or places as may be designated by Company. In the case of a Developer that is a business entity, Company may require the trainees to include the Developer's general manager and one or more owners, officers, or other representative selected by Developer and acceptable to, and approved by Company. Developer shall pay all travel, living, compensation, and other expenses, if any, incurred by Developer and/or Developer's owners and employees in connection with attendance at the program. Company shall pay no compensation for any services performed by trainee(s) in connection with such training programs.

ARTICLE VII

ASSIGNMENT AND SUBFRANCHISING

7.1 Assignment by Company. This Agreement is fully transferable by Company, in whole or in part, without the consent of Developer; provided, however, that such transferee and successor shall expressly agree to assume Company's obligations under this Agreement. Any attempt to assign any right or delegate any duty under this Agreement aside from the reasons specified above shall be null and void.

7.2 Assignment by Developer. This Agreement has been entered into by Company in reliance upon and in consideration of the character, reputation, skill, attitude, business ability, and financial capacity of Developer or, if applicable, its owners who will actively and substantially participate in the development, ownership and operation of CSG&B Businesses. Accordingly, neither Developer nor any of its owners shall directly or indirectly sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any direct or indirect interest in this Agreement or in all or substantially all of Developer's assets, voluntarily or involuntarily, in whole or in part, by operation of law or otherwise, without Company's prior, express written consent, which consent may be withheld for any reason. Any attempt by either party to assign any right or delegate any duty under this contract that is not expressly permitted herein shall be null and void.

7.3 Franchising by Developer. The Developer may fulfill its obligations with respect to the franchising agreements by using affiliated entities approved by Company ("Sub-franchisee"). Each Sub-franchisee will be required to execute the franchise agreement provided by Company as referenced in this Agreement and Company shall be named as an express, intended third party beneficiary with the right to enforce the Developer's rights under such agreements. Developer will be responsible for providing appropriate training, supervision and assistance, to assist in resolving customer complaints, to provide an advertising program, to register and comply with applicable franchise law in connection with the offer and sale of Sub-franchises, and to insure that the Sub-franchisees comply with the operational requirements of the franchise.

ARTICLE VIII

NON-COMPETITION

During the Term and for five (5) years thereafter, neither Developer, nor any officer, director, or direct or indirect owner of a Developer, shall in any capacity, either directly or indirectly, personally or through one or more business entities, engage in any Competitive Business, as defined below, at any location, whether within or outside the Development Area, unless Company shall furnish its prior, express and written consent thereto. As used in this paragraph, "Competitive Business" shall mean owning, operating, consulting for, lending to, advising, being employed by, or having any financial interest in any indoor golf simulator business within the United States of America.

The parties hereby expressly agree that if any aspect of this Article VIII is held to be illegal or unenforceable in any respect by a court or arbitrator, as the case may be, the offending provision shall be modified to the extent necessary to make such provision(s) legal or enforceable to the fullest extent of applicable law.

ARTICLE IX

TRADE SECRETS

9.1 Company possesses and continues to develop, and during the course of the relationship established hereunder, Developer shall have access to, proprietary and confidential information, including specifications, processes, procedures, concepts, methods and techniques of developing, marketing and operating CSG&B Business (the "Trade Secrets"). Certain of the Trade Secrets may be disclosed to Developer in operating manuals, memoranda, bulletins, supplements, confidential correspondence, or other confidential communications, and through the Company's training program and other guidance and management assistance, and in performing Company's other obligations and exercising Company's rights under this Agreement and Franchise Agreements. "Trade Secrets" shall not include information which: (a) has entered the public domain or was known to Developer prior to Company's disclosure of such information to Developer, other than by the breach of an obligation of confidentiality owed by anyone to Company; (b) becomes known to Developer from a source other than Company and other than by the breach of an obligation of confidentiality owed by anyone to Company; or (c) was independently developed by Developer without the use or benefit of Company's Trade Secrets. The burden of proving the applicability of the foregoing will reside with Developer.

9.2 Developer shall acquire no interest in the Trade Secrets other than the right to use some of them in developing and operating CSG&B Businesses pursuant to the Franchise Agreements. Developer's use of the Trade Secrets in any other endeavor or business shall constitute an unfair method of competition.

Developer shall: (i) not use the Trade Secrets in any business or other endeavor other than in connection with such CSG&B Businesses; (ii) maintain absolute confidentiality of the Trade Secrets during and after the Term; (iii) make no unauthorized copy of any portion of the Trade Secrets, including without limitation, all or any part of the manuals, bulletins, supplements, memoranda, confidential correspondence, or other confidential communications, whether written or oral; and (iv) operate and implement all reasonable procedures prescribed from time to time by Company to prevent unauthorized use and disclosure of the Trade Secrets, including without limitation, restrictions limiting disclosure to certain employees and use of non-disclosure and non-competition provisions as Company prescribes in employment agreements with employees who may have access to the Trade Secrets. Developer shall insure that all Sub-franchisees pursuant to this Agreement agree to abide by the same obligations of this Article of this Agreement that are binding on Developer before such Sub-franchisees are afforded access to Trade Secrets.

ARTICLE X

TERMINATION, EXPIRATION, AND CANCELLATION

10.1 This Agreement may be terminated by Company in the event of any breach by Developer of this Agreement, unless such breach is cured by Developer within ten (10) days following written notice of the default; provided that the following defaults shall be deemed incurable: (i) any attempt by Developer to make any assignment in violation of the terms of this Agreement; (ii) failure of Developer to meet any the deadlines set forth in the Development Plan; and/or (iii) any violation by Developer of Article IX of this Agreement.

10.2 Upon the termination, expiration, or cancellation, Developer shall promptly return to Company, in accordance with Company's directions, all materials containing or constituting Trade Secrets as referenced in this Agreement.

ARTICLE XI

GENERAL CONDITIONS AND PROVISIONS

11.1 Relationship. Developer has no authority to create or assume in Company's name or on behalf of Company, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of Company for any purpose whatsoever. Neither Company nor Developer is the employer, employee, agent, partner or co-venturer of or with the other. Developer agrees that the developer will not present as the agent, employee, partner or co-venturer of Company. All employees hired by or working for Developer shall be the employees of Developer and shall not, for any purpose, be deemed employees of Company or subject to Company control. Each of the parties agrees to file its own tax, regulatory and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof.

11.2 Indemnity. Developer hereby agrees to indemnity, defend and hold harmless Company, and all of its past, present, and future direct and indirect owners, subsidiaries, affiliates, officers, directors, employees, attorneys and designees from and against any and all claims, costs and expenses, including attorneys' fees, court costs, losses, liabilities, damages, and demands of every kind or nature, on account of any actual or alleged loss, injury or damage to any third party arising out of or relating to Developer's operation of CSG&B Business.

11.3 Limitation of Liability. Company shall not be liable to Developer for any lost profits (whether direct or consequential damages), or consequential, indirect, or special damages, interest expenses, increased construction or occupancy costs, or other costs and expenses incurred by Developer by reason, regardless of how they are characterized, due to, arising from, or relating to the acts or omissions of Company.

11.4 Waiver and Delay. No waiver by Company of any breach or series of breaches or defaults in performance by Developer, and no failure, refusal or neglect of Company to exercise any right, power, or option given to it hereunder or under any Franchise Agreement, shall constitute a waiver of the provisions of this Agreement with respect to any subsequent breach thereof or a waiver by Company of its right at any time thereafter to require exact and strict compliance with the provisions thereof.

11.5 Survival of Covenants. The covenants contained in this Agreement which, by their terms, require performance by the parties after the expiration or termination of this Agreement, shall be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever.

11.6 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Company and shall be binding upon and inure to the benefit of Developer and the respective heirs, executors, administrators, successors and assigns, subject to the prohibitions against assignment contained herein.

11.7 Governing Law. Any and all matters of dispute between the parties to this Agreement, whether arising from the agreement itself or arising from alleged extra-contractual facts prior to, during, or subsequent to the Agreement, including, without limitation, fraud, misrepresentation, negligence, or any other alleged tort or violation of the contract, shall be governed by, construed, and enforced in accordance with the laws of the State of Ohio, not including its conflicts of laws rules but including its statutes of limitations, regardless of the legal theory upon which such matter or dispute is asserted.

11.8 Entire Agreement. The parties intend this Agreement to constitute the complete, exclusive and fully integrated statement of their agreement. As such, it is the sole repository of their agreement and they are not bound by any other agreements, promises, representations, or writings of whatsoever kind or nature. The parties also intend that this complete, exclusive and fully integrated statement of their agreement may not be supplemented or explained or interpreted by any evidence of trade usage or course of dealing.

11.9 Notices. All written notices and reports permitted or required to be delivered pursuant to this Agreement shall be deemed so delivered when delivered by hand, one business day after transmission by telegraph or other electronic system or three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed:

To Company at:

Coastal Swing
c/o Dan Halley
1871 NE Catawba Rd.
Port Clinton, OH 43452

With a copy to (such copy shall not constitute Notice hereunder)

Mansour Gavin LPA
c/o Brendon P. Friesen
1001 Lakeside Ave.
Suite 1400
Cleveland, OH 44114

<u>To Developer at</u>:

[The remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed.

Company:

CSGB FRANCHISING LLC

By:______________________
Name: Daniel Halley__________
Title: Principal______________

Developer:

____

By:______________________
Name:____________________
Title:_____________________

EXHIBITS:

Exhibit A – Development Area
Exhibit B – Development Plan
Exhibit C – Franchise Agreement

EXHIBIT E. **STATE ADMINISTRATORS**

California

Department of Corporations

1500 11th Street

Sacramento, CA 95814

Connecticut

The Department of Banking

Securities and Business Investment Division

260 Constitution Plaza

Hartford, CT 06103–1800

(860) 240-8299

Florida

Florida Department of Agriculture & Consumer Services

Plaza Level 10, The Capitol

400 S. Monroe St.

Tallahassee, Florida 32399-0800

Hawaii

Business Registration Division

Securities Compliance Branch

Department of Commerce and Consumer Affairs

335 Merchant Street, Suite 205

Honolulu, Hawaii 96813

Illinois

Office of Attorney General

Franchise Division

500 South Second Street

Springfield, Illinois 62701

Indiana

Secretary of State

Franchise Section

Indiana Securities Division

302 West Washington, Room E111

Indianapolis, Indiana 46204

Kentucky

Commonwealth of Kentucky Office of the Attorney General

Consumer Protection Division

1024 Capital Center Drive, Suite 200

Frankfort, Kentucky 40601

Maryland

Office of the Attorney General

Division of Securities

200 St. Paul Place

Baltimore, Maryland 21202–2020

Michigan

Consumer Protection Division

Antitrust and Franchise Unit

Michigan Department of Attorney General

525 W. Ottawa St.

Lansing, MI 48906

Minnesota

Department of Commerce

85 7th Place East

Suite 280

St. Paul, Minnesota, 55101

Nebraska

Department of Banking and Finance

Commerce Court

1230 'O' Street, Suite 400

Lincoln, NE 68508-1402

New York

Bureau of Investor Protection and Securities

New York State Department of Law

28 Liberty Street

15th Floor

New York, New York 10005

North Dakota

Office of Securities Commissioner

Fifth Floor

600 East Boulevard Ave, 14th Floor

Bismarck, North Dakota 58505

Rhode Island

Department of Business Regulation

Securities Division

1511 Pontiac Avenue

Cranston, Rhode Island 02920

South Dakota

Division of Securities

124 S Euclid Ave, Suite 104

Pierre, South Dakota 57501

Texas

Statutory Document Section

Secretary of State

P.O. Box 12887

Austin, Texas 78711

<u>Virginia</u>

State Corporation Commission

Division of Securities and Retail Franchising

Ninth Floor

1300 East Main Street

Richmond, Virginia 23219

<u>Washington</u>

Department of Financial Institutions

Securities Division

150 Israel Rd., SW

Tumwater, Washington 98501

<u>Wisconsin</u>

Franchise Registration Division

Office of the Wisconsin Commissioner of Securities

4822 Madison Yards Way, North Tower

Madison, WI 53705

EXHIBIT F. **RIDER TO LEASE AGREEMENT**

LEASE RIDER

This Lease Rider (this "Rider") is made and entered into on ___________, 20__ by and among ______________________ (the "Landlord"), _________________________ (the "Tenant"), and CSGB Franchising LLC, an Ohio limited liability company ("CSG&B"), all collectively, the "parties".

RECITALS

WHEREAS, Landlord and Tenant have entered into that certain lease agreement (the "Lease) dated ________________ with respect to the premises located at _____________________ (the "Premises");

WHEREAS, as a condition to CSG&B granting a CSG&B franchise to Tenant under that certain Franchise Agreement between CSG&B and Tenant dated ______________, CSG&B requires certain provisions to be included in the Lease; and

WHEREAS, Landlord and Tenant have agreed to include the provisions set forth below in the Lease.

NOW, THEREFORE, the parties agree that this Rider amends and forms part of the Lease.

AGREEMENT

1. Terms. The following provisions shall be added to the Lease:

(A) CSG&B'S NOTICE AND CURE RIGHTS:

"Concurrently with giving a notice of default to Tenant, Landlord shall send a copy of the notice to CSG&B. In the event Tenant fails to cure any default within the time required in the Lease, Landlord shall give written notice to CSG&B specifying the nature of Tenant's default and granting CSG&B an additional twenty (20) calendar days from the date CSG&B receives such notice to cure the default. If CSG&B has cured Tenant's default, it shall have additionally the following rights, exercised in CSG&B's sole discretion: (a) accept an assignment of the Lease; or (b) assign the Lease to an authorized franchisee of CSG&B. Tenant's obligations under the Lease incurred prior to the assignment of the Lease shall in no way transfer to CSG&B or a substitute franchisee unless or until CSG&B or a substitute franchisee agrees with Landlord in writing to assume such obligations."

(B) USE CLAUSE:

"Tenant shall use the Premises for the purpose of operating a "CSG&B franchise"."

(C) THIRD PARTY RESTRICTIONS:

"During the term of the Lease, including any renewals and extensions, Landlord shall not permit directly or indirectly, another indoor golf simulator business to be operated from the same building in which the Premises are located and from any other rental facility owned and/or operated by Landlord within a 5-mile radius of the Premises. In the event Landlord breaches its covenant not to lease to another indoor golf simulator business as provided herein, then Tenant shall be entitled to an immediate reduction of its total rent payments to One Dollar ($1.00) per month until such time as this breach is cured."

(D) SIGNAGE:

"Tenant has the right to install the sign of CSG&B, as approved by CSG&B, on the front entrance to the Premises, subject to Landlord's approval which shall not be unreasonably withheld, and subject to applicable laws and regulations. Tenant shall have the right to erect and display a sign or banner reading "Coming Soon- CSG&B" (or similar words)."

(E) PARKING:

"Landlord shall provide parking to serve the Premises (including Tenant's 24/7 business access) in accordance with applicable laws and regulations."

2. Notices. All notices required to be delivered pursuant to this Rider shall be deemed so delivered when delivered by hand, one business day after transmission by telegraph or other electronic system or three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed:

Coastal Swing
c/o Dan Halley
1871 NE Catawba Rd.
Port Clinton, OH 43452

With a copy to (such copy shall not constitute Notice hereunder)
Mansour Gavin LPA
c/o Brendon P. Friesen
1001 Lakeside Ave.
Suite 1400
Cleveland, OH 44114

3. Except as expressly modified and superseded by this Rider, the terms and provisions of the Lease shall remain in full force and effect.

[The remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Lease Rider to be executed.

Landlord:

By: ________________________

Name: ______________________

Tite:________________________

Tenant:

By: ________________________

Name: ______________________

Tite:________________________

CSGB FRANCHISING LLC

By: ________________________

Name: Daniel Halley

Tite: Principal

EXHIBIT G. **AGENTS FOR SERVICE OF PROCESS**

Ohio:

MGGM Service Corporation
1001 Lakeside AVE E STE 1400
Cleveland OH 44114

EXHIBIT H. **EXISTING FRANCHISEES**

None.

EXHIBIT I. **FORMER FRANCHISEES**

None.

EXHIBIT J. **RECEIPTS**

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If CSGB Franchising LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If CSGB Franchising LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit D.

The agents listed in Exhibit G are authorized to receive service of process for CSGB Franchising LLC

The following is the name, principal business address and telephone number of each franchise seller offering this franchise:

Name:	Daniel Halley
Address:	1871 NE Catawba Rd, Port Clinton, OH 43452
Telephone Number:	(330) 807 - 1095
Email:	dan@csgbfranchising.com

Issuance Date: ____________ (See State Cover Page for state effective dates.)

I have received a disclosure document dated ________ that included the following Exhibits:

EXHIBIT A. **FINANCIAL STATEMENTS**
EXHIBIT B. **TABLE OF CONTENTS OF MANUALS**
EXHIBIT C. **FRANCHISE AGREEMENT**
EXHIBIT D. **AREA DEVELOPMENT AGREEMENT**
EXHIBIT E. **STATE ADMINISTRATORS**
EXHIBIT F. **RIDER TO LEASE AGREEMENT**
EXHIBIT G. **AGENTS FOR SERVICE OF PROCESS**
EXHIBIT H. **EXISTING FRANCHISEES**
EXHIBIT I. **FORMER FRANCHISEES**
EXHIBIT J. **RECEIPTS**

Date: ______________________

Prospective Franchisee

By: ______________________

Name: ______________________

Individually and on behalf of the following entity:

Company Name: ______________________

Title: ______________________

RETAIN THIS COPY FOR YOUR FILE

RECEIPT

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EXHIBIT I. **FORMER FRANCHISEES**
EXHIBIT J. **RECEIPTS**

Date: ______________________

Prospective Franchisee

By: ______________________

Name: ______________________

Individually and on behalf of the following entity:

Company Name: ______________________

Title: ______________________

RETURN THIS COPY TO US