

FRANCHISE DISCLOSURE DOCUMENT
GOLFTEC Franchising LLC, a Colorado limited liability company
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GOLFTEC Franchising LLC offers franchises for the operation of indoor golf instruction centers. GOLFTEC licenses methods that provide golf instruction to all experience levels, using digital video, impact analysis and motion analysis technology to measure and analyze a golfer's swing and compares this information to a database of over 150 tour players.

The total investment necessary to begin operation of a GOLFTEC franchise ranges from \$322,850 to \$897,875. This includes an amount ranging from \$117,800 to \$161,300 that must be paid to the franchisor or affiliate. If you sign a Development Agreement, the total investment necessary for two locations shall be a minimum of \$870,000.

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 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 government 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 Sales at 67 Inverness Drive East, Suite A, Englewood, Colorado 80112, (303) 779-9900, or Legal@GOLFTEC.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 your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

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 "*Buying a Franchise: A Consumer's Guide*," 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, DC 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: **December 23, 2025**

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 following Table 5.
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 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 GOLFTEC 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 GOLFTEC franchisee?	Item 20 lists 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 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 A.

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*

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Colorado. Out-of-state mediation, arbitration 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 Colorado than in your own state.
2. **Financial Condition.** The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.

Certain other 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

The Franchisor.

The name of the franchisor is GOLFTEC Franchising LLC. GOLFTEC Franchising LLC is referred to as “we”, “us” or “GTFL” in this Disclosure Document. We will refer to the person who buys the franchise as “you” throughout this Disclosure Document. If the franchisee is a corporation, partnership or limited liability company, certain provisions of the Franchise Agreement will also apply to the owners and will be noted.

We were formed as a Colorado limited liability company on September 17, 2013. Our predecessor company, GOLFTEC Franchising LP, a limited partnership, formed on May 23, 2003, and its general partner, GOLFTEC Ventures, LLC (“GTV”), a Colorado limited liability company, formed on June 25, 2003, merged on or about October 1, 2013, into GOLFTEC Franchising LLC. We are a single member limited liability company wholly owned by GOLFTEC Enterprises LLC (“GTE”). Our principal business address, and that of all of our parents, affiliates and predecessor companies is 67 Inverness Drive East, Suite A, Englewood, Colorado 80112. Our agents for service of process are listed on Exhibit A.

Since GTFL’s business is limited to operating as a franchisor, that entity does not currently operate an Improvement Center of the type to be operated by you. GTFL has offered franchises for GOLFTEC Improvement Centers since July 2003. Neither we nor our affiliates or predecessor have offered franchises in any other lines of business

Parents, Predecessors and Affiliates.

Our parent company is GOLFTEC Enterprises LLC, (GTE.) GTE owns and operates GOLFTEC Improvement Centers. GTE is a Colorado limited liability company that was formed on October 24, 2001. GTE may be considered our predecessor and affiliate.

GOLFTEC Franchise Services Inc. (“GTFS”), a wholly owned subsidiary of GTE, was formed on July 30, 2007. GTFS may provide services and products to franchisees.

GTFS manages our franchise operations under a management agreement. GTFS provides services to our franchisees by providing the sales, marketing, administration, training and support services under Franchise Agreements that we enter into with our franchisees. We remain responsible for all licensing of the trademarks, service marks, trade names, patents and other intellectual property rights and all other aspects of the franchise relationship. GTFS may perform any of our obligations and may exercise any of our rights for us, but we remain ultimately responsible for all of our obligations under any of our agreements with you. If the Management Agreement expires or is terminated, we will perform our obligations under our agreements or appoint a new manager to do so.

Certain of our principals through GTE, GTFL and GTFS have over 20 years’ experience in Improvement Center operations. GTE currently owns 182 GOLFTEC Improvement Centers across the United States.

GOLFTEC Intellectual Property LLC (“GTIP”) is a Colorado limited liability company formed on January 17, 2008. It owns our intellectual property.

We have no affiliates or predecessors that provide products or services to you other than those identified above.

Our Business.

We franchise the operation of centers (“**GOLFTEC Improvement Centers**” or “**Improvement Centers**”), that provide golf instruction to all experience levels, using digital video, impact analysis and motion analysis technology to measure and analyze a golfer’s swing and compare this information to our proprietary database of over 150 tour players. We also provide personal club fitting to allow golfers to match their clubs to their golf swing and playing preferences. Personal club fitting integrates motion measurement, digital video and a database of more than 1,000 club options. GOLFTEC Improvement Centers use a distinctive business format, proprietary golf instruction techniques, systems, methods, procedures, software, patents, designs, layouts, advertising, promotional and marketing methods, technology and data, operational standards and specifications and various other proprietary methods of doing business (collectively, the “**Licensed Methods**”). We franchise the operation of Improvement Centers under the trade name and service mark “GOLFTEC” and other logos, trademarks, service marks and commercial symbols (collectively, the “**Marks**”). The Methods and the Marks are owned by GOLFTEC Intellectual Property LLC, a Colorado limited liability company formed on January 17, 2008, which is wholly owned by GTE and are licensed to us.

The Franchise.

A Franchise Agreement (“**Franchise Agreement**”), which is attached as Exhibit B to this Disclosure Document is signed for each GOLFTEC Improvement Center franchise purchased. You will receive the right to use the Marks and Licensed Methods to operate your Improvement Center at a location approved by us (“**Franchised Location**”). Each Improvement Center is licensed to access the TECSWING teaching platforms, TECFIT fitting systems, TECPutt teaching/fitting system, GOLFTEC TV(digital signage), CaddyMaster (operations management), GOLFTEC University (LMS), webflow (website content management) and Clubhouse (student portal and mobile app), collectively referred to as “Technology Systems.

A GOLFTEC Improvement Center may be located in a strip mall, commercial shopping or office area, golf course or driving range, or other suitable facility that we must approve before your development of the facility. The Improvement Centers are typically between 2,000 and 5,000 square feet in size, in leased space. GOLFTEC Improvement Centers have two to seven instruction bays, a reception counter and waiting area for clients, bathrooms and a storage room.

The Improvement Center offers swing evaluation sessions, custom club fitting sessions and game improvement plans varying in cost based on the duration of the plan purchased, components of the memberships and geographic location; various approved brands of custom-fit, custom-made golf clubs and a limited inventory of golf merchandise is offered for sale. An Improvement Center must employ at least two personal coaches (Franchisor strongly encourages that one or all personal coaches be PGA or LPGA Members or Apprentices) who have been trained and certified by us at GOLFTEC University (“**GTU**”) before providing instruction to clients. Currently there are approximately 28,000 PGA golf professionals (Members and Apprentices) and 1,800 LPGA Teaching and Club Professionals in the United States. Note that the terms “pro” and “coach” are used interchangeably in this Disclosure Document.

If you qualify, you may obtain from us the right to develop multiple GOLFTEC Improvement Centers within a designated geographic area under our Development Agreement, which is attached as Exhibit C to this Disclosure Document. The Development Agreement states, subject to our determination that additional Improvement Centers are necessary to adequately serve the clients and potential clients in the Development Area, the number of GOLFTEC Improvement Centers to be developed and schedule for development in a designated geographic area (“**Development Area**”) reserved for your development of Improvement Centers. A separate Franchise Agreement is executed for each Improvement Center to be developed under the Development Agreement. The scope of any Development Agreement and the number

of GOLFTEC Improvement Centers to be developed is dependent upon your development plans, our determination of your financial capability and qualifications to develop multiple Improvement Centers in the Development Area and our determination during the term of the Development Agreement that additional Improvement Centers must be developed to adequately service clients and potential clients.

Regulations.

We are not aware of any regulations specific to the operation of an Improvement Center in your state, although you are responsible for complying with all local, state and federal laws of a general nature which affect the operation of your Improvement Center. You should consult with your attorney and tax advisor on this subject, especially regarding state and local laws, rules and regulations that may affect the operation of your GOLFTEC Improvement Center at your particular location. You are responsible for complying with employment, worker's compensation, insurance, corporate, taxing, licensing and similar laws and regulations.

Market and Competition.

The popularity of golf in the United States and internationally is well established and the market is highly competitive. According to 2021 statistics published in 2022 by the National Golf Foundation the number of American golfers has grown to roughly 46.4 million participants. A "participant" is a person six years of age or older who played at least one round of golf. 21% of the participants are female and 54% are "core" golfers, meaning they play 8+ rounds a year.

The popularity of the game has increased the competition amongst providers of golf instruction. Your market for your services will include golfers of all skill levels, from beginners to casual weekend golfers to advanced players. You will encounter competition from golf professionals at golf clubs, national as well as regional golf camps, and training sessions sponsored by various golf pros or organizations that may have well-known and recognizable names or service marks. You may even experience competition from other GOLFTEC Improvement Centers within the same market area as your Improvement Center. GOLFTEC believes, however, that, due to its licensed patented technology, it is the only company with multi-state facilities to offer instruction with motion capture analysis capability.

ITEM 2 BUSINESS EXPERIENCE

President, Chief Executive Officer, Co-Founder, and Manager of GTE: Joseph L. Assell:

Mr. Assell has been the Chief Executive Officer of GTE (GOLFTEC Enterprises LLC) since August 2006. He serves as President and is on the Board of Directors of GTE, positions which he has held since November 2001. Mr. Assell founded the GOLFTEC concept in 1995.

Chairman, Board of Directors GTE: Nobuya Ishizaka:

Mr. Ishizaka is the Chief Executive Officer of Golf Digest Online Inc. (GDO Inc.), a Japan corporation, serving in that role since May 2000. Mr. Ishizaka has been on the Board of GTE since April 2016 and became the Chairman in 2019.

Chief Operating Officer: Jeremy Beck

Mr. Beck has been GTE's Chief Operating Officer since January 2019.

Chief Strategic Officer and Chief Marketing Officer: Jeff Foster

Mr. Foster has been GTE's Chief Strategy Officer and GOLFTEC ST LLC's Chief Executive Officer since August 2022. He has also been GTE's Chief Marketing Officer since 2022. Prior, he was Chief Revenue Officer and President at Buffalo Groupe from 2021. Prior that, he was Senior Vice President at GolfNow, a division of Golf Channel, since January 1998.

Chief Financial Officer: Jon Marquardt:

Mr. Marquardt has been GTE's Chief Financial Officer since January 2019.

Vice President of Real Estate: Chad Covak:

Mr. Covak has been GTE's Vice President of Real Estate since May 2016.

Vice President of Franchising: Dave Baltzer

Mr. Baltzer has been the Vice President of Franchising since February 2019. Prior, he was Director of International Franchise Operations since September 2018.

Senior Vice President, General Counsel: Sakal Heng

Mr. Heng began with GOLFTEC in February 2022. Prior he was general counsel for Trax Retail, Inc. from December 2019 to March 2022.

**ITEM 3
LITIGATION**

There is no litigation required to be disclosed in this item.

**ITEM 4
BANKRUPTCY**

No bankruptcy information is required to be disclosed in this Item.

**ITEM 5
INITIAL FEES**

The initial franchise fee is \$45,000 and is payable to us in full when you sign the Franchise Agreement. The amount of your initial franchise fee is determined by the designated area for site selection, which is based upon, among other things, the size of market, the number of core customers within a defined geographic area, daytime population, proximity to highways and residential income. The Franchisor has sole discretion in determining the demographic source upon which the market level shall be determined and sole discretion over the amount of the Franchise Fee.

Before opening your GOLFTEC Improvement Center, you also pay us \$20,000 per bay, with a minimum of two bays per center upon opening. This includes the purchase of Technology Systems, which includes TECSWING teaching platforms, TECPUTT, TECFIT fitting systems, TECPutt teaching/fitting

system, GOLFTEC TV (digital signage), CaddyMaster (operations management), GOLFTEC University (LMS), TECSWING GO, CADDYMASTER, OptiMotion, webflow (website content management) and Clubhouse (student portal and mobile app).

The low range cost in the Item 7 chart entitled TECSWING, Office Systems and Store Network includes two TECSWING Systems with our SkyTrak launch monitors at a minimum of \$20,000 each, which allows you to commence business with two operational instruction bays, a front and back office system. We require you to commence business with no less than two operational instruction bays, so you must purchase at least two TECSWING Systems at a minimum of \$20,000 each, assuming you are using our SkyTrak devices, and one office system at \$4,000. TECSWING The fees quoted in this paragraph do not include the costs of installation, integration, and configuration, which services must be obtained from us. These fees are due when you order the equipment. These fees do not include tax or the cost of shipping, which you must pay.

If you qualify and elect to purchase a Development Area in which to develop two or more Improvement Centers, you must execute a Development Agreement. You must pay an initial franchise fee for each Improvement Center to be developed under the Development Agreement. On execution of the Development Agreement, you must pay the initial franchise fee for the first GOLFTEC Improvement Center to be developed plus a Development Fee of \$10,000 for the last Improvement Center to be developed under the Development Agreement. The \$10,000 Development Fee for the second and subsequent Improvement Centers to be developed under the Development Agreement, except the last Improvement Center, will be due the earlier of: (1) the date on which the Franchise Agreement for that Improvement Center is required to be executed (which is within 10 days after we approve your location); or (2) January 31 of the calendar years in the Development Agreement which corresponds to the deadline to open the Improvement Center. We apply the \$10,000 Development Fee paid for the second and subsequent Improvement Centers to be developed toward the initial franchise fees for each Improvement Center. The balance of the initial franchise fees for the second and subsequent Improvement Centers to be developed under the Development Agreement, will be due on the earlier of: (1) the deadline for which the Franchise Agreement for that Improvement Center is due to be executed (which is within 10 days after we approve your location); or (2) the date in the Development Agreement which corresponds to the deadline for opening that Improvement Center. During the term of the Development Agreement, either upon mutual agreement or upon our determination, in our reasonable discretion, if we determine that the development of one or more additional Improvement Centers are necessary to adequately serve clients or potential clients in the Development Area, you must pay to us an initial franchise fee as appropriate within 60 days of receipt of written notice from us of the obligation to develop the additional Improvement Center(s).

You must participate in our “**Build-Out Program**”. Upon execution of the Franchise Agreement and the Build-Out Agreement you pay GOLFTEC a nonrefundable fee of \$7,500 for our assistance in constructing, developing and equipping the Improvement Center, as well as \$4,500 to \$15,000 for MEP services. You pay third-party suppliers directly for costs associated with the design, construction, developing and equipping of your Improvement Center, including \$8,500 to a GOLFTEC-approved third-party architect.

All initial franchise fees, development fees, and fees for the Build-Out Program once paid, are nonrefundable. Except as outlined in this Item 5, all franchisees currently acquiring a franchise pay the same franchise fee.

**ITEM 6
OTHER FEES¹**

<u>Type of Fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
Royalty ²	5% of Gross Revenues 2% of Merchandise Revenues	Payable twice a month, based on the prior time period's Gross Revenues and Merchandise Revenues	Gross Revenues include all revenue from the Improvement Center, including sales made away from the Improvement Center, whether for cash or credit and whether recognized or "unearned" (e.g., receipts for lessons not yet given). Gross Revenues do not include taxes and discounts or, if applicable, Development Area (designated site selection area), or Merchandise Revenues. Merchandise Revenues include all revenue from the Improvement Center from the sale of items designated in writing by us as merchandise, including sales of merchandise made away from the Improvement Center, whether for cash or credit. Merchandise Revenues do not include taxes and discounts. Royalties are paid to us by electronic transfer of funds.
NMAAF Contribution ²	Up to 4% of Gross Revenues and .8% Merchandise Revenues, up to an annual maximum of \$32,500 per Improvement Center. See Operations Manual for the current applicable rate.	Payable twice a month, based on the prior time period's Gross Revenues and Merchandise Revenues	We reserve the right to change the National Marketing, Advertising and Administration Fund ("NMAAF") Contribution upon 30 days prior written notice to all franchisees. GTE's Improvement Centers will contribute the same as franchised Improvement Centers. NMAAF Contributions are paid to us by electronic transfer of funds.
Local Advertising Allocation ⁴	An average of 5% of Gross Revenues and Merchandise Revenues monthly, reduced by any amounts reallocated to Regional Ad Group Fund	As Incurred	This local advertising allocation is in addition to the NMAAF Contribution but is retained by you. This is the minimum average which must be expended during each fiscal quarter, with a report of expenditures submitted to us within 30 days following the end of each fiscal quarter. If an approved regional advertising group is established which includes your Improvement Center, all or a portion of your local advertising allocation may be reallocated to the regional ad group fund.

<u>Type of Fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
Regional Advertising Groups ⁴	May vary, with recurring contributions up to 5% of Gross Revenues and Merchandise Revenues, reduced by Local Advertising Allocation	As directed by Regional Advertising Group	As of the date of this Disclosure Document, there is not an active regional advertising group.
Software License Fee ²	\$11,000, which amount will increase three percent (3%) annually until the termination of the Agreement.	On or before the first anniversary of the date on which your Improvement Center opens, payable in monthly installments for the term of your franchise agreement and any extension.	Includes up to 2 hours a month of consulting maintenance and trouble-shooting, as well as minor software upgrades. We charge you extra for major software upgrades, if available, for TECSWING, TECPUTT, TECSWING, TECPUTT GOLFTEC TV, CaddyMaster, GOLFTEC University, webflow, and Clubhouse TECSWING Portable, CADDYMASTER. The annual Software License Fee is paid to us by electronic transfer of funds.
Technology Consulting ²	\$250 per hour and will increase by 10% per year.	As Incurred	We charge this amount if you require assistance in excess of 2 hours a month.
Improvement Center Management and Operations Consulting ²	\$250 per hour, and will increase by 10% per year.	As Incurred	We charge this amount if you require assistance in excess of 2 hours a month.
Accounting and Finance Consulting ²	\$250 per hour, and will increase by 10% per year.	As Incurred	We charge this amount if you require assistance in excess of 2 hours a month.
Marketing Consulting ²	\$250 per hour, and will increase by 10% per year.	As Incurred	We charge this amount in the event you do not submit your request for approval of your promotional and marketing materials to our internal advertising and marketing agency at least thirty days prior to publication or use. Additionally, we charge this amount if you require assistance in excess of 2 hours a month.

<u>Type of Fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
Training Program Tuition and Expenses ^{3,4}	Travel, lodging and living expenses associated with attending mandatory training sessions	As incurred	We do not charge tuition for three coaches to attend GOLFTEC UNIVERSITY (GTU) or for you and/or your Center Manager's initial training ("FTU"). You pay all other expenses relating to attending training. Franchisor may charge tuition for continuing training that is mandatory. We encourage that the coaches, including the Center Manager, be either a PGA or LPGA Member or Apprentice.
Tuition for Initial Training - Additional Attendees ²	\$4,000 per attendee and will increase by 25% each year.	As incurred	Rate applies to GTU for additional or replacement coaches (in excess of three). We do not currently charge tuition for FTU for replacement Center Managers however we reserve the right to charge, tuition at the same annual rate for initial training. Remote GTU training is \$1,000USD per coach per session and may be increased based on then current published rates.
Certified Personal Coach Follow-up Training Fee ²	\$2,000 per person, which will increase by 25% each year (maximum two days) plus travel, lodging and living expenses.	As incurred	Payable if you request us to provide and we agree to provide certain ongoing supervision of your coach.
Certified Personal Coach Transfer Fee ^{2,4}	\$10,000. May be increased at GOLFTEC's discretion, but will not exceed 25% of the then-current Certified Personal Coach Transfer Fee.	As incurred, due as of Certified Coach's last day of employment and before transfer	You pay this non-refundable fee if you hire a Certified Personal Coach that is employed, or has been employed within the prior 1 year, by us, an affiliate or another GOLFTEC franchisee. The Certified Personal Coach Transfer fee is paid to the former employer of the Certified Personal Coach. The Certified Personal Coach Transfer Fee applies if you are currently a Coach employed by GTE, an affiliate or a GOLFTEC franchisee and you are purchasing a franchise. This Transfer Fee is conservatively estimated as the former employer's reimbursement for previously training the Certified Coach.
Interest ²	Lesser of 1.5% per month or highest rate of interest allowed by law.	Upon demand	Interest begins to accrue the day after payments are due for Royalties, product and equipment purchases, NMAAF Contributions and other amounts due to us or our affiliates under the Franchise Agreement.

Late Charge ²	Up to \$500	As incurred	Payable when you fail to provide accurate or timely financial statements / reports when due. \$250 for 1 st offense; \$500 for 2 nd and any subsequent offense; \$250 for incomplete submission – 1 st offense; \$500 for incomplete submission – 2 nd and any subsequent offense.
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<u>Type of Fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
Development Schedule Extension Fee ²	Up to \$1,000 per month	Payable monthly upon demand	Payable monthly in the event we agree to extend the development schedule outlined in the Development Agreement.
Default Fee ^{1,2}	\$500 per month, with the possibility of escalation up to \$2,000 per month for continuing default. Each month the default continue, the Default Fee will increase \$500 until it reaches a maximum amount of \$2,000. It will then stay at \$2,000 per month until the default is cured.	Upon demand	Payable when you violate a material term or condition of the Franchise Agreement, Development Agreement, or Operations Manual and such default is not cured within 30 days.
Costs of Inspection and Audit ²	Varies according to your location	15 days after receipt of our notice to you of any underpayment	Payable only if you understate your Gross Revenues and Merchandise Revenues by more than 5%, do not submit reports to us or do not cooperate in performance of inspection and audit.
Transfer Fee ²	\$10,000 plus \$5,000 for transfer of each undeveloped Improvement Center under any Development Agreement, and will increase by 25% each year.	Before effectiveness of transfer	Payable when the franchise agreement, interest in the Improvement Center or the franchise is transferred by you.
Successor Franchise Fee ²	\$15,000.	When you sign the then current Franchise Agreement	Payable when you renew the term of your Franchise Agreement.

Costs and Attorneys Fees ²	Will vary depending on nature of your default	As incurred	Payable upon your failure to comply with the Franchise Agreement.
Indemnification Under Franchise Agreement ²	Will vary depending on nature of the claim against us	As incurred	You have to reimburse us if we are held liable for claims resulting from your GOLFTEC Improvement Center.
Insurance Premiums ²	Will vary depending on your location and insurer	As incurred	If you do not pay your premiums, we can pay them for you and you must reimburse us by electronic transfer of funds.

<u>Type of Fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
Lesson Reimbursement Fee ⁴	Range from \$40 for one half hour to \$60 for one hour session and will increase by 10% per year.	Payable on the days we periodically designate	Payable by electronic transfer of funds from your bank account along with Royalties when another franchisee or GTE provides a lesson based on a lesson package sold by you. The amount is credited to the other franchisee or GTE.
Electronic Swing Critique Fee ²	\$3 to \$7 per swing and will increase by 10% per year.	As incurred	Payable if you request us or our affiliates and we or our affiliates agree to critique the golf swing of an event which will be collected electronically by you.
Alteration of Marks and Licensed Methods ²	Varies	As incurred	Payable if we enter the Franchised Location to correct your misuse of the Marks or Licensed Methods.
Call Center Fee ²	Monthly fee of \$250 per center, and will increase by 10% per year.	Beginning with the seventh month, payable monthly on the day of the month we periodically designate.	This fee is paid for each Improvement Center. Payable to maintain the call center which books client golf lessons. Call Center Fee is paid to us by electronic transfer of funds. Within the first month of the date the Improvement Center opens, Franchisee will be notified of the monthly rate.
Payments for Items Supplied by Us ²	Between \$20 and \$20,000 (which amount will increase by 10% each year) plus tax and shipping (where applicable), shipping and similar charges	As incurred	We and our affiliates charge you for items you purchase through us or our affiliates, such as golf shirts, banners, replacement parts or tents for events.
Inventory Purchases ⁴	Will vary depending on inventory turnover	As incurred	You must purchase and maintain a minimum inventory of golf clubs and other merchandise.

(1) The fees apply to all franchises developed under a Development Agreement.

(2) Fees which we charge and must be paid to us. We do not refund these fees. Fees payable to us less than \$5,000 and all regularly recurring fees payable to us shall be paid by electronic transfer of funds.

(3) Expenses associated with travel, meals and lodging while attending GTU (GOLFTEC University) and FTU (Franchise Training University). All of these expenses are payable to third parties. These expenses will vary according to where you stay, where you eat and how far you have to travel. Wages or a per diem for attendees to GTU or FTU are your sole responsibility and you will be responsible for any expenses payable to your employees.

- (4) Fees which are not paid to us but are not refundable.

ITEM 7
ESTIMATED INITIAL INVESTMENT

<u>Type of Expenditure*</u>	<u>Amount</u>	<u>When Due</u>	<u>Method of Payment</u>	<u>To Whom Payment is to be Made</u>
Initial Franchise Fee (See Note 1)	\$45,000	At signing of Franchise Agreement	Lump Sum	Us
Build-out Program (See Note 2)	22,800– 33,300	At signing of Franchise Agreement	Lump Sum	\$7500 for Build-Out Management Services and an MEP Payment ranging from \$4,500 to \$15,000 to Us, and \$10,800 to an architect approved by GOLFTEC
Leasehold Improvements (See Note 2)	150,000 - 450,000	Before Opening	As incurred	Other Suppliers
Security Deposits, Utility Deposits and Business Licenses (See Note 3)	100 - 30,000	Before Opening	As Incurred	Other Suppliers
Rent (See Note 4)	2,250- 41,375	Monthly	As Incurred	Other Suppliers
TECSWING, Office Systems and Store Network (See Note 5)	50,000 – 83,000	At time of ordering	Lump Sum	Us or an affiliate
Furnishings (See Note 6)	6,000 - 17,000	At time of ordering	Lump Sum	Other Suppliers
Signage (See Note 7)	5,000 - 20,000	Before Opening	As incurred	Other Suppliers
Equipment, Supplies and Inventory (See Note 8)	15,000 - 45,000	Before Opening	Lump Sum	Other Suppliers
Initial Training (See Note 9)	4,000 - 20,000	Before Opening	As incurred	Other Suppliers
Initial Advertising/ Marketing (See Note 10)	10,000 - 50,000	As incurred	As incurred	Other Suppliers

<u>Type of Expenditure*</u>	<u>Amount</u>	<u>When Due</u>	<u>Method of Payment</u>	<u>To Whom Payment is to be Made</u>
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Additional Funds (See Note 11)	10,000 - 60,000	As incurred	As incurred	Other Suppliers
TOTAL ESTIMATED INITIAL INVESTMENT (See Notes 12 and 13)	322,850– 897,875			

Explanatory Notes

* All amounts paid to us are non-refundable. Third-party suppliers will determine whether payments to them are refundable.

Note 1: Initial Franchise Fee. Initial franchise fees are paid to GOLFTEC based upon the number of GOLFTEC core customers in your market and other demographic data. The initial franchise fee will ultimately be determined by us. If you qualify and elect to sign a Development Agreement, on signing you must pay the applicable initial franchise fee for the first GOLFTEC Improvement Center, plus a Development Fee of \$10,000 for the last Improvement Center to be developed. We apply the Development Fee paid for the last GOLFTEC Improvement Center to be developed toward the initial franchise fee for this Improvement Center.

Note 2: Build-out Program and Leasehold Improvements. You must obtain retail space that meets our standards and specifications. Typically, your GOLFTEC Improvement Center will be 2,000 to 5000+ square feet, located in leased retail space in a strip center or commercial shopping or office area with ample day time foot traffic. You must pay us \$7,500 to provide the build-out management services, and approximately \$4,500-\$15,000 for Mechanical, Electrical, and Plumbing drawings. This build-out estimate also includes the \$8,500 fee that you must pay an approved third-party architect. The estimates in the previous chart reflect the build-out of space of this size, although your actual costs may vary under or over the estimates. The low-range estimate assumes that you obtain a tenant finish allowance from your Landlord. Your costs to improve the Franchised Location will depend in part on whether your space is completely constructed or is the remodel of an existing space, the square footage of your space and market rates in your area. The leasehold improvements, which must be completed in accordance with our standards and specifications, customarily include interior remodeling, floor covering, painting, wall covering, HVAC, nets, electrical, design and various other improvements. These costs may vary significantly from market to market. This estimate also includes approximately \$8,500 that you pay for design and architectural work. Engineering fees will be additional and range from \$4,000-\$12,000, depending on work required, and could be higher in some instances. If you purchase property or a building, or both, for the Improvement Center, your additional costs will depend on the location and size of the land and building. We do not typically invest in the land and building for a GOLFTEC Improvement Center. We are unable to estimate these costs due to the significant variances based on location and market conditions.

Note 3: Security Deposits, Utility Deposits and Business Licenses. Security deposits could range from nothing to several months' rent; utility deposits range from a nominal amount to approximately \$1,000 and business licenses range from approximately \$100 to \$1,500, depending on your location.

Note 4: Rent. Gross rent of an improvement center is approximately \$20.00 to \$175.00 per square foot. You should investigate the rental rates in the area where you propose to locate your Improvement Center.

Note 5: TECSWING and Office Systems and Improvement Center Network. This estimate includes the costs for TECSWING Systems, TECFIT, OptiMotion, including TECSWING hardware and software and a SkyTrak launch monitor, at approximately \$20,000 each for each bay. You must open your Improvement Center with at least two TECSWING Systems, although you eventually need to have a System for each instruction bay in your Improvement Center. The number of TECSWING systems you must have at the time of opening your Improvement Center shall be determined by us. The timing of the purchase of additional Systems depends on client demand. The high range estimate assumes that you are purchasing three TECSWING Systems. The amounts in the chart also cover the initial cost, totaling approximately \$10,000 of the office systems and network hardware and all of GTE's licensed software, CADDYMASTER (customer database management software), Sync and Online Scheduling software, as well as cameras, monitors and hitting mats, and our installation integration and configuration assistance. TECFIT

Note 6: Furnishings. Each instruction bay contains a desk and seating for the coach and a client. Additional furnishings are needed for the reception area. All items must be purchased from suppliers that we have approved.

Note 7: Signage. The exterior and interior signs are purchased from a third-party supplier approved by us.

Note 8: Equipment, Supplies and Inventory. This item includes additional Improvement Center equipment not purchased through us but available from approved third party suppliers, including telephone system, fax machine, client instruction supplies, office supplies and a limited inventory of merchandise for resale. All of these costs are paid to third party suppliers. You must open with and maintain an inventory of custom-fit, custom-made brand name golf clubs as designated by us and certain promotional merchandise and training aides.

Note 9: Initial Training and Wages Expense. Your travel, lodging and living expenses when attending GOLFTEC UNIVERSITY (GTU) and FRANCHISE TRAINING UNIVERSITY (FTU) vary depending on the length of your instruction, the distance you must travel and the standard of living you desire while you attend the sessions. The entire initial training program extends over a two-to-three-week period, including 8 to 12 days of GTU. We reserve the right to schedule FTU in two separate sessions—one session prior to the opening of your Improvement Center and one session after your Improvement Center opens. We reserve the right to schedule GTU in two separate sessions. The amount in the chart also includes an estimate of the wages for two coaches for eight days.

Note 10: Initial Advertising and Marketing. This is the amount incurred for your initial promotional and marketing campaigns. We determine the type and scope of the campaigns, and we designate the type of advertising materials to implement the campaigns.

Note 11: Additional Funds. This estimates your pre-operational expenses, which we have not listed above, as well as additional funds necessary for the first three months of your business operations. These figures are estimates and we cannot guarantee that you will not have additional expenses starting the business. Your costs depend on factors such as: how much you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for our

products and services; the prevailing wage rate; competition; and the sales level reached during this initial period. This item includes a variety of expenses and working capital items during your start-up phase such as: legal and accounting fees; insurance premiums; additional advertising and promotional expenses and materials; employee salaries; and other miscellaneous costs.

Note 12: Basis For Estimates; Financing. We relied on our and our affiliate's principals' experience operating Improvement Centers when preparing these figures. You should review these figures carefully with a business advisor before making any decision to purchase a franchise. The estimated initial investment does not include real estate acquisition expenses. We do not offer any financing in connection with your initial investment. The availability and terms of financing from independent third parties depends on factors such as the availability of financing generally, your creditworthiness, other security and collateral you may have and policies of lenders.

Note 13: Multiple GOLFTEC Improvement Centers. Except as mentioned above, if you sign a Development Agreement, you will incur the costs described in the charts for every GOLFTEC Improvement Center developed.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

No officer of the Franchisor owns any interest in a supplier from whom you will be required to purchase products or services.

Operations.

Your GOLFTEC Improvement Center must be established and operated in compliance with your Franchise Agreement. It is mandatory that you comply with the standards and specifications contained in our confidential operations material we provide to you largely via our GOLFTEC University web portal, but may also be, in the form of one or more manuals, technical bulletins, video tech tips or other written and electronic materials ("**Operations Manual**"), which we may modify. At our option, we may post some or all of the Operations Manual and any changes on a restricted Website or extranet to which you will have access. ("Website" means an interactive electronic document contained in a network of computers linked by communications software, including, without limitation, the Internet and World Wide Web home pages). Any passwords or other digital identifications necessary to access the Operations Manual on a Website or extranet will be deemed to be confidential. We provide you with our standards and specifications for the golf instruction and other services and merchandise offered at or through your GOLFTEC Improvement Center and for the Franchised Location, Improvement Center opening, build-out, signs, fixtures, instruction bays, technology, equipment, furnishings, employee attire, supplies, forms, advertising material and other items used at or sold through your Improvement Center.

Improvement Center Lease, Build-Out and Furnishing.

We must approve any lease or, if applicable, any real property purchase agreement for your Improvement Center before you execute any of these agreements. Then, a copy of the signed lease is to be delivered to us within 15 days after signing. The primary lease must contain provisions which grant us certain rights.

Your lease is then collaterally assigned to us as security for your timely performance of all obligations under the Franchise Agreement. You are responsible for obtaining the landlord's consent to the collateral assignment. A copy of a standard form of Collateral Assignment of Lease is attached to this Disclosure Document as Exhibit D.

You must ensure that the Improvement Center is constructed, converted, designed and decorated and furnished in accordance with our plans and specifications, at your expense, and through the assistance of contractors, architects and suppliers designated or approved by us. We require that you obtain our written consent to any improvements to the Improvement Center site before construction begins. We require that you participate in our Build-Out Program to provide you with build-out services for the development of improvements for your Improvement Center in accordance with our plans and specifications.

Technology Systems and Point Of Sale System.

You must purchase from us or our affiliate TECSWING Systems hardware for each of the instruction bays in your Improvement Center, as well the additional office system hardware and the proprietary Improvement Center software components, including TECSWING, TECPUTT, launch monitor, CADDYMASTER, TECFIT & Clubhouse, and, optionally, the mobile TECSWING Portable System (collectively, the “**Technology Systems**”). The Technology Systems and any upgrades to our proprietary software are not available from any other source. We derive revenue from Technology Systems and software maintenance and upgrade fees, which is discussed below.

The current POS system hardware and software used in Improvement Centers is our own proprietary POS software developed by GOLFTEC and licensed to you. See Item 11.

Insurance.

You must procure, maintain and provide evidence of (i) comprehensive general liability insurance for the Franchised Location and its operations with a limit of not less than \$2 million combined single limit and \$3 million in aggregate for personal injuries or deaths of persons occurring in or about the Franchised Location, or such greater limit as may be required as part of any lease agreement for the Franchised Location; (ii) automobile liability insurance covering all employees of the GOLFTEC Improvement Center with authority to operate a motor vehicle in an amount not less than \$1,000,000 or, with the prior written consent of the Franchisor, such lesser amount as may be available at a commercially reasonable rate, but in no event less than any statutorily imposed minimum coverage; (iii) unemployment and worker's compensation insurance with a broad form all-states endorsement coverage sufficient to meet the

requirements of the law; and (iv) all-risk personal property insurance in an amount equal to at least one hundred percent (100%) of the replacement costs of the contents and tenant improvements located at the GOLFTEC Improvement Center. We reserve the right to require that you obtain and maintain, in addition to all other policies of insurance, employment practices insurance in such amount as may be reasonable for a GOLFTEC Improvement Center. All of the required policies of insurance must name us as an additional insured and must provide for a 30 day advance written notice to us of cancellation.

Your obligation to obtain and maintain the foregoing insurance policies in the amounts we specify will not be limited in any way by reason of any insurance maintained by us, nor will your performance of that obligation relieve you of your liability under the indemnity provisions in the Franchise Agreement.

If you fail to procure or maintain the insurance that we require, we may (but are not required to) obtain the required insurance and charge the cost of the insurance to you. The costs to us of obtaining the insurance, together with a fee for our expenses in so acting, will be payable by you immediately upon notice. The foregoing remedies will be in addition to any other remedies we may have at law or in equity.

Purchases from Designated or Approved Sources.

We require that you purchase all equipment, supplies, and services used at or sold through your GOLFTEC Improvement Center only from suppliers approved by us in advance. As discussed above, all Technology Systems are available only from us or our affiliates. You must also purchase designated furniture for your Improvement Center through our approved vendor. All coaches providing instruction at, through or in connection with an Improvement Center must obtain certification from us at GTU. You must maintain minimum levels of inventory of custom-fit, custom-made golf clubs of brands designated by us and available through approved third-party suppliers. All golf instruction, related golf services, equipment, supplies and merchandise used in or sold through your Improvement Center must meet our standards and specifications and must be obtained from suppliers approved by us in advance. After you pay your initial franchise fee, we give you access to Operations Manual which contains a list of our approved suppliers, the standards and specifications for golf instruction, golf services, equipment, supplies and merchandise to be used or sold by you through your GOLFTEC Improvement Center, as well as our criteria for approving a supplier.

If you want to purchase or lease any inventory items, products, equipment, supplies, or services we have not approved or through a supplier who we have not previously approved, you must notify us in writing and obtain our approval in advance. The notification should include sufficient specifications, photographs, drawings and other information and samples to determine whether those items or those suppliers meet our specifications. We will provide you with an approval or rejection of the supplier within 30 days of receiving your request. You must reimburse us for the actual cost of any testing and the reasonable cost of investigation to determine whether those items or suppliers meet our specifications. We will not unreasonably withhold our approval of a supplier of your choosing, if the supplier meets our published standards and specifications such as quality of product, reputation of supplier, customer service and price. We reserve the right to change the published standards regarding any approved supplier or any products, equipment, supplies, or services used, offered for sale or leased by franchisees upon 30 days written notice to all franchisees and all approved suppliers.

We do not provide material benefits, such as renewal or granting additional franchises to franchisees based on your use of designated or approved sources or suppliers.

Revenue from Franchisee Purchases.

We will derive revenue from the sale of the Technology Systems, build-out services and other products and services we sell to franchisees. We reserve the right to sell additional products, equipment,

supplies and services to franchisees and to derive revenue from such sales. In the fiscal year ended December 31, 2024, we received revenue from the sale or lease of products and services to franchisees of \$786,310 or 16.42% of our total revenues of \$4,786,371 \$.

We estimate that the costs of your purchases from designated or approved sources, or according to our standards and specifications, may range from 40% to 80% of the total cost of establishing a GOLFTEC Improvement Center and approximately 15% to 30% of the total cost of operating a GOLFTEC Improvement Center after that time. Except as disclosed above, we are not affiliated with any designated or approved suppliers.

Advertising and Marketing.

All marketing and promotion of your GOLFTEC Improvement Center must conform to our standards and specifications. You must submit to our internal advertising and marketing agency, GOLFTEC Agency ("GA") samples of all advertising and promotional materials that have not been prepared or previously approved by GA. Your Improvement Center must participate in promotions that GA institutes from time to time for all GOLFTEC Improvement Centers, or all Improvement Centers within a particular market area. GA retains the right to develop and control all advertising using our Marks on the Internet. GA reserves the right, upon 30 days prior written notice to you, to require that you participate in electronic advertising by creating, customizing or providing access to a linked web page or otherwise.

Purchasing Arrangements.

We have no purchasing or distribution cooperatives at the current time, although we may establish pricing programs with certain suppliers based on volumes purchased. Periodically, we may negotiate purchase arrangements with suppliers for the benefit of our franchisees. We currently have discount buying arrangements available for participation by Franchisees with a sign company, a printer supplier, a credit card processing company, a payroll and human resource services provider, an architect, a furniture manufacturer, a hitting net supplier and golf equipment manufacturers. However, you should not rely on the continued availability of any particular pricing or distribution arrangement, or the availability of any particular product or brand in deciding whether to purchase the franchise. We have the right to receive payments from suppliers on account of their dealings with you and other Franchisees. During the fiscal year ending December 31, 2024, we received \$0.00 as a result of franchisee purchases of printing and online services provider. We may, in our discretion, either retain the credit of any volume discounts, rebates or incentives received as a result of your purchases or contribute them to the NMAAF.

Marketing Rebates.

We reserve the right to require you to assign marketing rebates suppliers who offer such rebates to us. We may, at our discretion either retain the marketing rebates or contribute them to the NMAAF. At this time, we are contributing marketing rebates to the NMAAF.

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ITEM 9 FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement 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	Section in Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	Sections 5.1 and 5.2 of Franchise Agreement; Sections 3.4 and 3.5 of Development Agreement; License Agreement	Items 8, 11 and Exhibit D
(b) Pre-opening purchases/leases	Sections 5.2, 5.3, 5.4, 5.5 and 5.6 of Franchise Agreement; Build-Out Program Addendum	Items 5, 6, 7 and 8
(c) Site development and other pre-opening requirements	Sections 5.3, 5.4, 5.5 and 5.7 of Franchise Agreement; Build-Out Program Addendum; Section 2 of License Agreement	Items 7, 8 and 11
(d) Initial and ongoing training	Article 6 of Franchise Agreement; Sections 1 and 2 of Certified Personal Coach Agreement	Item 11
(e) Opening	Sections 5.8 and 7.1 of Franchise Agreement; Sections 3.1 and 3.2 of Development Agreement	Item 11
(f) Fees	Sections 4.1, 10.1(m) (n), 12.2, 12.3 and Article 11 of Franchise Agreement; Article 2 and Sections 3.2 and 3.3 of Development Agreement; Section 4 of Software License; Section 11 of Build-Out Agreement; Sections 2 and 6 of License Agreement; Section 4 and Certified Personal Coach Transfer Agreement	Items 5, 6 and 7
(g) Compliance with standards and policies/Operations Manual	Articles 8 and 13 of Franchise Agreement; Section 2 of Software License	Items 11 and 14
(h) Trademarks and proprietary information	Article 14 of Franchise Agreement; Section 2 of Software License	Items 13 and 14
(i) Restrictions on products/services offered	Sections 10.1.e, 13.4, 13.5 and 13.6 of Franchise Agreement; Section 2 of Software License	Item 16
(j) Warranty and customer service requirements	Section 10.2 of Franchise Agreement	None
(k) Territorial development and sales quotas	Sections 1.1, 1.2, 3.1 and 3.2 of Development Agreement	Item 12
(l) On-going product/service purchases	Sections 5.6, 10.1 and Article 13 of Franchise Agreement; Section 4 of Software License	Item 8
(m) Maintenance, appearance and remodeling requirements	Sections 10.1 and 17.3 of Franchise Agreement; Section 2 of Software License	Item 8
(n) Insurance	Article 21 of Franchise Agreement; Section 10 of Build-Out Agreement	Item 7

Obligation	Section in Agreement	Disclosure Document Item
(o) Advertising	Article 12 of Franchise Agreement	Items 5, 6, 7 and 11
(p) Indemnification	Section 19.3 of Franchise Agreement; Section 8 of Software License; Section 2 of Build-Out Agreement	Item 6
(q) Owner's participation/management/staffing	Sections 5.8 and 10.1 of Franchise Agreement	Items 11 and 15
(r) Records and reports	Article 15 of Franchise Agreement	Item 8
(s) Inspections/audits	Sections 13.3 and 15.4 of Franchise Agreement	Item 6
(t) Transfer	Article 16 of Franchise Agreement; Article 5 of Development Agreement; Section 9 of Software License	Item 17
(u) Renewal	Article 17 of Franchise Agreement	Item 17
(v) Post-termination obligations	Section 18.5 of Franchise Agreement; Section 4.4 of Development Agreement; Section 11 of Software License	Item 17
(w) Non-competition covenants	Article 20 of Franchise Agreement; Article 6 of Development Agreement; Articles 5 and 6 of Certified Personal Coach Agreement; Exhibit H	Item 17
(x) Dispute resolution	Section 22.1 of Franchise Agreement; Section 12 of Build-Out Agreement; Section 4 of Certified Personal Coach Transfer Agreement	Item 17

ITEM 10 FINANCING

Neither we nor any of our agents or affiliates currently offers, directly or indirectly, any financing arrangements to you, nor do we guarantee any lease or other obligations for you. However, we may be able to assist qualified persons by recommending a third-party equipment financing company. We do not receive any benefit, monetary or otherwise, from any recommended lender. We cannot estimate whether you will be able to obtain financing for any part or all your investment and, if so, the terms of the financing, which will depend on your credit worthiness and other characteristics. We do not have any past or present practice or intention to sell, assign or discount to any third party, in whole or in part, any note, contract or other instrument signed by you.

ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Pre-Opening Assistance.

Before you open your Improvement Center, we, or our authorized representative (which may be an affiliate of ours) will:

1. Assist you in locating the site for your Improvement Center by providing you with written criteria for an acceptable site and by approving or disapproving your proposed site. Site selection assistance is also discussed below. You must locate the site within 90 days after signing the Franchise Agreement. We must approve of the site. No contractual limit exists on the time it takes us to approve or disapprove your proposed site. However, we typically take no more than 15 days to approve or disapprove of your site. (Sections 5.1 and 7.1.b of Franchise Agreement)

2. Provide build-out services in accordance with our standards and specifications outlined in Operations Manual for the interior and exterior design of the layout, floor plan, instruction bay design, interior and exterior signs, color, decor, products, inventory and uniforms. We must approve your construction plans and specifications before construction begins. You are responsible for the cost of any architectural designs and drawings that you obtain, and for any necessary modification of the standard blueprints that we may, but are not required to, provide to you, and for the cost of construction. (Sections 5.3, 5.4, 5.5 and 7.1.c of Franchise Agreement)

3. After signing the lease for the Improvement Center and before the Improvement Center's opening, we furnish an initial training program described below. (Sections 6.1 and 6.2 of Franchise Agreement)

4. Make available for purchase by you the Technology Systems for your Improvement Center. We provide installation, integration and configuration services for your Technology Systems at your Franchised Location. We also provide you with information and advice about approved suppliers of the fixtures, supplies, equipment and materials used in and merchandise sold through your GOLFTEC Improvement Center. (Section 7.1.d of Franchise Agreement)

5. Provide up to three days of opening assistance, at or around the opening date of your Improvement Center. You cover our travel, lodging and living expenses incurred while providing this assistance. (Section 7.1.f of Franchise Agreement)

6. Provide you access to our confidential and proprietary Operations Manual covering the specifications, standards, and operating procedures that we require and information about your obligations. (Section 8.1 of Franchise Agreement)

7. If you execute a Development Agreement, designate your Development Area. (Section 1.1 of Development Agreement)

Continuing Assistance.

During the operation of your Improvement Center, we, or our authorized representative (which may be an affiliate of ours), will:

1. Provide, at your reasonable request, consultation by telephone or electronic mail regarding the continued operation and management of your GOLFTEC Improvement Center and advice regarding client instruction techniques, ancillary client services, merchandising, GOLFTEC Events and client relations. Two hours of consultation a month is provided without charge; additional time requested is charged at our then current published rate, which is currently \$250 an hour. (Section 9.1.a, Franchise Agreement)

2. Make available our advertising and promotional materials and designs, whether produced through the proceeds of the NMAAF or otherwise, although the costs of reproduction, reprinting and placement is your responsibility. (Section 9.1.b, Franchise Agreement)

3. Provide database and website administration for GOLFTEC.com, for listings of Improvement Center locations and staff, reporting and accounting information in CADDYMASTER, and hosting of Player Performance sessions. We also make available up to two hours per month of free Technology Consulting Services, including consulting, troubleshooting, training and use advice, with additional time as may be requested by you charged at our then current published rate, which is currently \$250 an hour. (Section 9.2, Franchise Agreement; Section 2.1.(i), Software License Agreement)

4. Provide you with on-going updates of information and programs regarding any new client instruction techniques, marketing and promotional programs, the competition, the industry, the GOLFTEC concept and related Licensed Methods, including information about special or new products and merchandising concepts and methods which we develop and make available to Franchisees. (Section 9.1.c, Franchise Agreement)

5. Train replacement or additional Center Managers and certify personal coaches through provision of the applicable portions of the initial training program. We will charge a tuition or fee, commensurate with our current published prices, for training, payable in advance. You must pay all travel, lodging and living expenses for your personnel during the training programs as well as any wages payable to such personnel. The availability of the training programs depends on space and timing considerations and prior commitments to new GOLFTEC franchisees and their personal coaches. (Section 9.1.d, Franchise Agreement)

6. Make our employees or designated agents available to you at your Improvement Center for advice and assistance regarding the on-going operation of the Improvement Center, at times and with such frequency as we determine, in our sole discretion. If you request additional, unscheduled assistance and we agree to provide it, we may charge you for all travel, lodging, living expenses, telephone charges and other identifiable expenses associated with the assistance, plus a fee based on the time spent by each employee on your behalf. We charge you our then current hourly or daily rates at the time we assist you. (Section 9.4, Franchise Agreement)

Advertising and Promotion.

You must remit to us a National Marketing, Advertising and Administrative Fund (“NMAAF”) Contribution of up to 4% of Gross Revenues and .8% of Merchandise Revenues up to an annual maximum of \$24,000 per Improvement Center payable with the payment of the Royalty. The current NMAAF Contribution is published in Operations Manual. The NMAAF Contribution is due to us along with your Royalty payment, payable twice a month on the days we may periodically designate, based on the amount of Gross Revenues and Merchandise Revenues in the previous period. We will deposit the NMAAF Contribution in a commercial account or savings account.

We will administer the NMAAF in our sole discretion. GA (GOLFTEC Agency) may use the NMAAF for the creation, production and placement of commercial advertising, agency costs and commissions, creation and production of video, audio, and written advertisements, including direct mail, radio, search engine marketing and other media advertising and employing advertising agencies and payment of salaries and related expenses for GA, funding a toll-free number and call center for clients to schedule lessons and to provide similar client services, development and maintenance of a website, supporting public relations, market research and other advertising and marketing activities. We will not spend the Fund’s money on soliciting franchisees.

We may be reimbursed from the NMAAF for administrative costs, salaries and overhead expenses related to the administration of the NMAAF and GA’s marketing programs, including conducting market research, preparing material and collecting and accounting for NMAAF contributions. In any fiscal year

(ending December 31st) we may spend an amount greater or less than the aggregate contribution of all GOLFTEC Improvement Centers to the NMAAF in that year. The NMAAF may borrow from us or other lenders to cover deficits or cause the NMAAF to invest any surplus for future use. Any amounts remaining in the NMAAF at the end of each year accrue and we apply them toward the next year's expenses. We do not guarantee that advertising expenditures from the NMAAF will benefit you or any other franchisee directly or on a pro rata basis, nor will we guarantee that advertising expenditures will be spent in your Development Area or Protected Territory. We have no fiduciary obligation to you or other franchisees in regard to our administration of the NMAAF. We assume no other direct or indirect liability or obligation to you for collecting amounts due to any advertising account or for maintaining, directing or administering any advertising account.

We may use outside advertising agencies and personnel and GA to create local and regional advertising, including ad slicks, radio spots, direct mail and other marketing pieces and programs. We may advertise on a national basis. You must purchase local advertising separately through local marketing and media sources within a geographical area. Local advertising is primarily your responsibility.

In GTFL's most recent fiscal year ending December 31, 2024,

In GTFL's most recent fiscal year ending December 31, 2024, we spent 24.6% of the NMAAF on GA's salaries to produce advertising and marketing materials, 43.7% on placement of advertising, 15.9% on agency fees, 5.4% on the production of content and 10.4% on miscellaneous marketing expenses and marketing effectiveness research.

Local Advertising.

You are also required to spend an average per calendar quarter of 5% of Gross Revenues and Merchandise Revenues on local advertising. You must submit quarterly reports to us accounting for the use of these funds. You may create your own advertising and promotion materials; however, all local advertising and promotion by you must be in such media and of such type and format as we may approve, must be conducted in a dignified manner and must conform to the standards and requirements as we may specify. You may not use any advertising or promotional plans or materials unless and until you have first received written approval from us. All advertising and promotional materials shall be submitted to GA at least 30 days prior to publication or use. We reserve the right to charge an hourly fee in the event advertising and promotional materials are not submitted by you in a timely manner to meet a critical publication or production deadline.

Regional Advertising Group.

We may, upon 30 days written notice to you, create, at your expense, a regional advertising group ("**Ad Group**") in the market area where you are located, at which time you must become a member of the Ad Group. We have the sole right to determine the geographic area included in the Ad Group. The manner in which the Ad Group is administered is subject to our prior approval. In our sole discretion, we may require that all or a uniform designated portion of the local advertising commitment of all Improvement Centers in your market area contribute into the Ad Group. We may designate that these funds be contributed on a regular basis or intermittently for specific programs selected by the majority of the Ad Group members and approved in advance by us. Therefore, your total local advertising commitment of 5% may be paid and used at a regional level, in our sole determination. You receive credit for payments into the Ad Group toward your local advertising commitment. If you are contractually bound by your lease or mall regulations to expend a required amount on advertising, the Ad Group must factor this in when considering your dues and assessments to be paid to the Ad Group. Whether we form an Ad Group or authorize franchisees in a

geographic area to form an Ad Group, you will be bound by the decisions of the majority of the members of the Ad Group regarding expenditures, assessments and dues, to the extent we approve them. If you fail to participate in the Ad Group or pay any Ad Group dues, you breach the Franchise Agreement.

We must approve all advertising materials before they are used by an Ad Group or furnished to its members. Each Ad Group must prepare unaudited annual financial statements and send them to you if you request them. We can form, change and dissolve the Ad Group. Each Ad Group would operate under a written document which franchisees can view. Either GTFL or the Ad Group may create the Ad Group's advertising, but advertising created by the Ad Group would be required to have our written approval before use.

We do not have a franchisee advertising council that advises us on advertising policies.

Franchise System Advisory Council.

Although the Franchise Agreement does not obligate us to, we sponsor the "GOLFTEC Franchisee Advisory Council" ("**Advisory Council**") which is composed of franchisees who are nominated and appointed by franchisees to represent their peers throughout the country. Advisory Council members provide a channel of communication between franchisees and us in order to present ideas on issues affecting the franchise system, to assess and evaluate strategic plans and to generally provide franchisees' input and viewpoint. It is anticipated that the Advisory Council will meet twice a year in person and twice a year via telephone. We have the authority to change or dissolve the Advisory Council.

Operations Manual.

Operations Manual is available for review prior to the purchase of a franchise.

Technology Systems and Point of Sale (POS) Systems.

You must purchase the Technology Systems from us or an approved affiliate. You must have two to five TECSWING Systems (although you may open your Improvement Center with only two bays operational and, therefore, only two TECSWING Systems, unless you are establishing an Improvement Center in a small market, then you may have one operational bay at the Franchisor's discretion). Additional TECSWING Systems must be purchased consistent with the number of instruction bays at your Improvement Center. Each TECSWING System is between \$25,000 - \$30,000, depending on bay orientation and camera definition. There is an additional \$4,000 for the front/back-office system (only one for each Improvement Center is required).

TECSWING is our licensed teaching software combining synchronized digital video and motion analysis with biofeedback reinforcement and club-to-ball impact analysis. TECSWING measures the client's angular positions throughout the golf swing and compares those measurements to a database of positional data from professional golfers to deliver a fact-based golf lesson.

CADDYMASTER is a web-based, business management software that provides instructors and Center Managers with the essential operational, accounting, and marketing tools needed to run a GOLFTEC Improvement Center licensed from its affiliate, GOLFTEC Intellectual Property LLC. CADDYMASTER is the user interface, which provides access to all information gathered throughout the GOLFTEC network of Improvement Centers. CADDYMASTER features include:

- Client Database
- Online Scheduling
- Sales Reporting
- Client Activity Reports and Contact Tools

- Instructor and Store Performance Tracking
- Customer Surveys
- Advertising and Promotional Effectiveness Data
- Document Management

The installation, configuration and integration of the Technology Systems must be performed by us or an affiliate. We require that you maintain, repair, upgrade and update the Technology Systems in accordance with our standards and specifications. Maintenance and upgrades are available only through us or our designated suppliers. The POS System used must allow you to record sales in a format designated by us, provide you with information necessary to prepare financial statements in accordance with our standards and specifications and monitor your client lessons and inventory. We provide assistance with upgrades and maintenance of software. We charge an annual Software License Fee of \$11,000 for these services, and this amount will increase by three percent (3%) annually until the termination of the Agreement. Upgrades to hardware and other components are required as and when components are no longer working effectively, or the software may no longer be properly supported by obsolete hardware.

We require you to join and pay for an electronic network connection service to facilitate communication between you and us and among all GOLFTEC franchisees. This service may be obtained from one of our preferred vendors or can be obtained from a local vendor of your choice. We reserve the right to independently access all Technology Systems and POS System information. We have no contractual limitation on our right to receive information through the Technology Systems or the POS System. We may revise our specifications occasionally. We may require you to upgrade and update your POS System and components of the Technology Systems during the term of your Franchise Agreement. No contractual limitation exists on the frequency or cost of this obligation.

Site Selection Assistance.

You must select and acquire the location for your GOLFTEC Improvement Center within 90 days of the date you execute the Franchise Agreement. We have the right to terminate the Franchise Agreement effective upon 30 days' written notice to you if you fail to acquire a location within the 90-day period. However, if you have commenced and are continuing to make a good faith effort to acquire a location, we may grant you an additional, reasonable period of time to acquire a location. When you have selected a location for your Improvement Center you must submit information to us regarding the location so that we may accept or reject the site. Our assistance with the selection and approval of a location includes criteria for a satisfactory Improvement Center location and, later, a determination as to whether the location fulfills the requisite criteria. The following factors are considered when we review a proposed site: retail location character, proximity to major highways, daytime population, residential population, income levels, other demographics, competition, visibility and parking access. We will send our representative to your proposed location for one on-site assessment prior to granting approval of a location. We reserve the right to charge back our travel, lodging and living costs to you in the event additional trips are necessary to approve a proposed location. We will not unreasonably withhold approval of a proposed site that meets all of our site selection criteria. If we disapprove of a site proposed by you, we will grant you an additional, reasonable period of time to obtain approval of a different proposed Franchise Location. Our acceptance of a location does not infer or guarantee the success or profitability of an approved location.

Schedule For Opening.

We estimate that the typical length of time between the date you sign the Franchise Agreement and the date your Improvement Center opens will be approximately 150 to 180 days. The factors which may affect this time period are your ability to locate a site, secure financing, and obtain a lease, as well as the extent to which an existing location must be upgraded or remodeled, the delivery schedule for equipment,

recruiting and hiring, product and supplies, and completing your training. Unless otherwise agreed to in writing, you must open your Improvement Center within 180 days after the Franchise Agreement is signed.

If you execute a Development Agreement, you must meet the development schedule and requirements to develop additional Improvement Centers based on our reasonable determination of the number of Improvement Centers necessary to adequately serve clients and potential clients in your Development Area. To continue to grow into a dominant market position, you must meet your development schedule. Failure to meet the development schedule or additional development obligations is a default under the Development Agreement and will result in termination of the Development Agreement. In lieu of termination of the Development Agreement, we reserve the right to extend your development schedule, however our prior approval must be secured at least 60 days prior to the deadline stated in the then development schedule and we reserve the right to charge you up to \$1,000 per month for each month your development obligation remains unfulfilled up to a maximum of 24 months.

Electronic Advertising.

The Franchisor must provide its prior written approval before the Franchisee may develop, create, distribute, disseminate or use any Internet advertising or website, or any multimedia, telecommunications, mass electronic mail or audio/visual advertising, promotional or marketing materials. The Franchisor shall own all such electronic advertising related to or associated with the Franchisor's trademarks and patents.

Training Programs.

Before the opening of your GOLFTEC Improvement Center, you or your Center Manager must attend and complete to our satisfaction the first of two Franchise Training University (FTU) sessions. You must also have a minimum of two personal coaches (Franchisor encourages that the personal coaches be PGA or LPGA Members or Apprentices) certified at GOLFTEC UNIVERSITY (GTU) and employed by you to handle client instruction at your Improvement Center ("**Certified Coach**" or "**Certified Pro**"). Up to three individuals are trained by us at GTU without charge. You pay the travel, living expenses and wages for you and all employees who attend the training sessions, both in person and virtual. Training is currently conducted at our headquarters in Englewood, Colorado as well as virtual training with instructors.

Additional trainees (in excess of three), attending GTU, pay our then published rate for tuition, which is currently \$4,000 per person. This tuition cost is exclusive of travel expenses and any compensation you may pay pursuant to state or federal law, or terms of employment, which total training cost is conservatively estimated to be approximately \$9,000 - \$12,000 per coach, depending on terms of employment, costs of travel, and other variables that cannot be quantified here.

Each of the two FTU sessions consists of approximately two to three days of instruction, at our corporate headquarters in Englewood, Colorado. During any period of time which travel may be impacted due to any national pandemic, training will be conducted virtually with a similar process. The GTU (GOLFTEC University) certification sessions, which last for approximately 8 to 12 days (depending on how many other coaches are in attendance and skill level of attendees and currently consist of 2 sessions), including of a combination of classroom (virtual and in person) and hands-on training, with the time spent on each varying depending on the needs of the particular trainees. If you or your Center Manager will not be a GOLFTEC certified personal coach handling instruction at the Improvement Center, you will not complete the hands-on, interactive sessions specifically developed for training GOLFTEC certified personal coaches. The remaining portion of FTU is primarily classroom training.

If you are opening your first GOLFTEC Improvement Center, we provide up to three days of on-site or virtual training to you and your staff, at a mutually agreed time at or around opening, to assist you in the opening of your Improvement Center. You must pay our travel and living expenses associated with

on-site assistance. We may waive on-site training if you have previously operated a GOLFTEC Improvement Center.

As often as annually, you or your Center Manager(s) may be required to attend, at your expense, a national convention which may include mandatory training sessions. These may be done in person or virtually at GOLFTEC's discretion. We may also require you, your Center Manager and designated employees to attend, at your expense, local or regional seminars or meetings up to two times per year. Your Certified Coaches may, at our option, be required no more often than annually to attend a refresher course. You will be responsible for all travel, lodging and living costs associated with attendance. We may charge tuition for continuing training that is mandatory. Yours and/or your Center Manager's travel, lodging and living costs while attending mandatory training sessions vary depending on the length of your stay, distance you must travel and the standard of living you desire while you attend the sessions. Tuition only charged may be up to \$4,000 per attendee.

As of the date of this Disclosure Document, we plan to provide the following initial training to franchisees:

TRAINING PROGRAM GOLFTEC UNIVERSITY (GTU)

Subject^{1,2}	Hours of Classroom Training	Hours of On-The-Job Training	Location^{3 6}
Company History and Philosophy	1.5	0.5	Englewood, Colorado
Training Center Systems (CaddyMaster, GOLFTEC in-house POS, GOLFTEC University, TECSWING, TECFIT)	0	10	Englewood, Colorado
Business Cycle (Sales) Training	16	5	Englewood, Colorado
Instruction	22	5	Englewood, Colorado
Sales Techniques	8	2	Englewood, Colorado
Club fitting	20	5	Englewood, Colorado
Training Center Management	0	1	Englewood, Colorado
Human Resources	1	1	Englewood, Colorado
Company Overview	1	0	Englewood, Colorado
Total	69.5	29.5	

TRAINING PROGRAM FRANCHISE TRAINING UNIVERSITY (FTU)

Subject^{1,2,4}	Hours of Classroom Training⁶	Hours of On-The-Job Training⁶	Location^{3 6}
Systems Communications and Reporting	4	0	Englewood, Colorado
Marketing	8	0	Englewood, Colorado
Site Selection and Construction Management	2	0	Englewood, Colorado

Subject ^{1,2,4}	Hours of Classroom Training ⁶	Hours of On-The-Job Training ⁶	Location ^{3 6}
Total	14	0	

¹ We will hold training classes on average twice a month, depending upon registrants.

² The instructors for Company History and Philosophy, Training Center Systems, Business Cycle (Sales) Training, Instruction, Sales Techniques, Club Fitting, Training Center Management and Human Resources are: Josh Troyer, who has taught over six years of experience in the areas in which he trains, Mikah Johnson, who has taught the courses for seven months, Tom Coppola, who has taught the courses for one year, and Steve Hickman, who has taught the courses for two months. The Teaching Quality team is also referred to as TQ. The instructor for Company Overview is Joseph Assell, who has over 30 years of experience in the area in which he trains.

³ Training may be conducted at Headquarters in Englewood, Colorado, an alternative location that we designate or virtually.

⁴ The instructors for the Systems Communications and Reporting program are the TQ instructors. The instructor for the Marketing program is Chris Koske, who has over two years of experience in the areas in which he trains. The instructor for the Site Selection and Construction Management program is Chad Covak, who has over ten years of experience in the areas in which he trains.

⁵ Training materials will include Operations Manual access, demonstrations, and other materials.

⁶ The FTU training is split into two sessions—you attend the first session before your Improvement Center opens and the second session within 60 days after the Improvement Center opens. GOLFTEC will determine if it will be in person or virtual. Most of the same topics are covered in both sessions. The on-the-job training is ongoing throughout the year, it is not included as part of FTU sessions.

ITEM 12 TERRITORY

You may operate your Improvement Center and use the Marks and the Licensed Methods only at a specific location, which is referred to as the “**Franchised Location**” in the Franchise Agreement, except when you are participating in GOLFTEC Events or off-site golf schools, short game sessions, golf clinics or playing lessons. All GOLFTEC Events and other off-site activities must be pre-approved in writing by us. You may not operate another GOLFTEC Improvement Center at any site other than the Franchised Location without first obtaining our written consent. We base our approval of your proposed Franchised Location on a variety of factors including the viability of the location and demographics of the proposed Franchised Location. If you execute your Franchise Agreement before you select a location and we approve it for your GOLFTEC Improvement Center, then you must choose and acquire a location for your Improvement Center within a “**Development Area**,” listed in Exhibit I to the Franchise Agreement. We will consider relocation to another location with prior approval from us based upon a variety of factors including the viability of the location and demographics of the new proposed Franchised Location compared to the then current Franchised Location.

Protected Territory.

You are given a protected area (“**Protected Territory**”) surrounding your Franchised Location.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we might develop or control.

Subject to our retention of the rights described in the last paragraph below, we will not operate or grant any franchises for the operation of other GOLFTEC Improvement Centers within your Protected Territory. A Protected Territory will customarily consist of a three-mile radius from your Franchised Location, but it may be less in areas with a high concentration of golfers or dense population. If you execute a Development Agreement, your Protected Territory will be modified in order that the boundary of your Protected Territory does not extend beyond the Development Area. Continuation of your Protected Territory does not depend on the achievement of any specified sales volume, market penetration, minimum number of golf lessons to be provided to clients or other contingency. An exhibit to your Franchise Agreement specifies your Protected Territory.

The designation of your Franchised Location, Protected Territory or, if applicable, Development Area, described below, does not grant you the exclusive right to any particular market or customers. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. You may engage in authorized off-site activities and you may advertise your GOLFTEC Improvement Center services anywhere, as long as you receive our prior approval of all activities and advertising. You are not authorized to use other “channels of distribution” to solicit business outside of your Protected Territory, such as Internet, catalog sales, telemarketing or other direct marketing. These rights are reserved by the Franchisor, both with respect to our Marks and with respect to alternative proprietary or licensed marks. Other GOLFTEC franchisees have the same rights to engage in off-site activities and conduct advertising (other than through alternative channels of distribution described above). You have no option, right of first refusal or similar contractual right to acquire additional GOLFTEC Improvement Center franchises within your Protected Territory, but we may grant you the right to acquire additional franchises by execution of the Development Agreement.

National Accounts.

We reserve the right under the Franchise Agreement and, if applicable, Development Agreement, to contract with “National Accounts” to locate GOLFTEC Improvement Centers at their business locations. A “**National Account**” means either a single client that conducts its business for its own account or through agents, dealerships, affiliates, independent contractors or franchisees, in two or more states in the United States and at eight or more locations. If we contact you and provide you with an opportunity to open and operate an Improvement Center at a National Account location within your Protected Territory or, if applicable, Development Area, under the terms and conditions agreed to between us or our affiliates and the National Account, in the event that you cannot for any reason, or do not elect to, open and operate an Improvement Center in the National Account location, we, or our designees, including other franchisees, will have the right to open and operate an Improvement Center at such location and you will have no right to the National Account location during the term of our contract with them and shall not be entitled to receive any compensation.

Development Area.

Under the terms of the Development Agreement, we grant to you the right to establish, according to a schedule, a minimum number of GOLFTEC Improvement Centers within a larger geographic territory

(the “**Development Area**”). A Development Area is usually defined by political boundaries such as a city, county or state limits or by other reasonable boundaries. The number of Improvement Centers to be developed may be adjusted depending on demographics and other characteristics of a Development Area, including population density, concentration of office buildings, income and other characteristics of the surrounding area, natural boundaries, extent of competition and whether the proposed Development Area is urban, suburban or rural in nature.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we might develop or control.

Subject to our retention of the rights within the Development Area described below, we may not operate or grant any other person or entity the right to establish GOLFTEC Improvement Centers within the Development Area for so long as the Development Agreement is in effect. The continuation of your right to your Development Area during the term of the Development Agreement is dependent on meeting the Development Schedule in the Development Agreement and is dependent upon the development by you of additional Improvement Centers in the Development Area as agreed by you and us or based on analysis of the required number of Improvement Centers to adequately serve the clients and potential clients in the Development Area, as determined by us. Failure to meet the development schedule or additional development obligations is a default under the Development Agreement and will result in termination of the Development Agreement. In lieu of termination of the Development Agreement, we reserve the right to extend your development schedule, however our approval must be secured at least 60 days prior to the expiration of the then development schedule and we reserve the right to charge you up to \$1,000 per month multiplied by the number of remaining undeveloped Improvement Centers authorized in the Development Agreement for each month your development obligation remains unfulfilled up to a maximum of six months.

Retention of Rights.

We retain the rights, among others:

1. to use and to license others to use, the Marks and Licensed Methods in connection with the operation of a GOLFTEC Improvement Center, at any location, subject to your rights to a Protected Territory or Development Area, described above;
2. to use the Marks at any location within and outside of the Protected Territory and, if applicable, Development Area, to identify, offer and sell services and products other than those which you sell, to promote and market GOLFTEC Improvement Centers and related services and merchandise, to provide golf instruction services using the Licensed Methods off-site from an Improvement Center and to identify, offer and sell services and products similar to those which you will sell, but made available through alternative channels of distribution other than through GOLFTEC Improvement Centers, including but not limited to, by way of the Internet or other electronic communications methods;
3. to solicit, coordinate and provide, and to license others to solicit and provide, GOLFTEC Events services using the Marks and Licensed Methods not conducted at any Improvement Center but rather in conjunction with and at corporate or trade association conventions, trade shows or other organization gatherings, wherever located, whether in or outside the Protected Territory and, if applicable, Development Area, subject to our published GOLFTEC Events definitions, policies and procedures;
4. to locate GOLFTEC Improvement Centers at National Account locations within your Protected Territory and any Development Area, subject to your rights described above; and

5. to use and license the use of other proprietary marks or methods in connection with the sale of products and services similar to those which you sell, whether in alternative channels of distribution or in connection with the operation of businesses which sell golf instruction or golf merchandise, which businesses are the same as, or similar to, or different from GOLFTEC Improvement Centers, at any location, and on any terms and conditions as we determine. We have no present plans to establish other related franchises or company-owned businesses selling similar products or services under a different name or trademark, although we reserve the right to do so in the future.

We are not required to pay you if we exercise any of the rights specified above inside your Protected Territory or, if applicable, Development Area.

ITEM 13 TRADEMARKS

We license to you the right to use the Mark “GOLFTEC,” and other trademarks, service marks and commercial symbols (“**Marks**”) that we may authorize. Through a license from GOLFTEC Intellectual Property LLC (“**GTIP**”), we license to franchisees the use of the Marks. GTIP has registered the following trademarks on the Principal or Supplemental Register of the United States Patent and Trademark Office (“**USPTO**”). We or our affiliate has filed or intends to file all required affidavits and renewals for the Marks listed below.

Mark	Register	Registration Date	Registration No.	Class(es)
GOLFTEC (block word only)	Principal	December 18, 2007	3,355,087	35 & 41
TECFIT	Principal	September 13, 2005	2,994,824	41
AMERICA’S #1 GOLF LESSON	Principal	December 20, 2011	4,073,937	41
MY PRO TO GO	Principal	November 27, 2012	4,251,503	9, 38, 41 & 42
WEBLESSON	Principal	June 5, 2012	4,152,893	38 & 41
TECPUTT	Principal	April 11, 2017	5,183,540	41
TECSWING	Principal	December 12, 2017	5,355,956	41
TECSWING GO	Principal	August 8, 2017	5,262,432	41, 9
SWING BETTER. PLAY BETTER	Principal	February 14, 2017	5,141,951	35, 41
GOLFTEC (and Design Stylized) 	Principal	August 29, 2017	5,278,002	35, 41

Mark	Register	Registration Date	Registration No.	Class(es)
G (and Design) 	Principal	August 29, 2017 amended January 23, 2018	5,278,003	35, 41
SKYTRAK	Principal	February 21, 2015	4,693,093	9
OPTIMOTION	Principal	November 30, 2021	6,577,825	41

24/7 GOLF (and Design)	Principal	May 24, 2022	6,727,918	35
				
G FAIRWAYS	Principal	June 6, 2023	7,071,783	9
GOLFTEC ENTERPRISES	Principal	December 31, 2024	7,635,623	35, 41
GTE (and Design)	Principal	Pending	Pending	35, 41
				
COURSEPLAY	Principal	Pending	Pending	9, 41, 42
OPTI	Principal	Pending	Pending	41
SWINGTRU	Principal	February 18, 2025	769065	41

Under a Trademark License Agreement dated January 1, 2008, GTIP (GOLFTEC Intellectual Property) licensed to us the right to use the Marks and to sublicense them in granting new GOLFTEC franchises to our franchisees. The Trademark License Agreement is for 10 years, with an auto renewal for additional 10-year terms. GTFL must maintain minimum quality and usage standards for the Marks.

If we materially violate any terms of the Trademark License Agreement (most of which relate to ensuring proper trademark usage by us and Franchisees) and we do not cure that violation within 30 days (or such longer period if GTIP agrees) or if, among other things, we become insolvent, or make an assignment for the benefit of creditors, GTIP may terminate the Trademark License Agreement and GTIP may, at its election, assume any franchise or license agreement between us and any franchisee.

You must use the service mark “GOLFTEC” as the principal identification of your Improvement Center. You must also, however, identify yourself as the independent owner of the Improvement Center, in the manner as we may require. You may not use any of the Marks as part of any corporate or trade name, nor may you use any of the Marks to identify unauthorized services or products or in any other manner not expressly authorized in writing by us. Without our prior consent, you may not use or register any of the Marks as part of an electronic mail address or domain name or use any of the Marks on any sites on the Internet or World Wide Web, or with any prefix, suffix, or other modifying words, terms, designs or

symbols (other than logos licensed to you), or in any modified form. We will establish and maintain the standards and specifications for your use of the Marks on the Internet.

You will be required to modify or discontinue your use of a Mark if we require modification or discontinuance of it, at your own expense.

Any apparent infringement of or challenge to your use of any Mark should be brought to our attention immediately and you may not communicate with any person other than us or our counsel regarding any such matter. You may not settle any claim without our written consent. We have sole discretion to take any appropriate action. We have the right to control exclusively any litigation, USPTO proceeding or any other administrative proceeding arising out of any infringement, challenge or claim relating to any Mark.

There are no presently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, any pending infringement, opposition or cancellation proceedings or material litigation involving the Marks.

Except as described above, no agreements limit our right to use or license the use of the Marks.

The Franchise Agreement does not obligate us to protect you against claims of infringement or unfair competition with respect to your use of the Marks, but it is our policy to do so when, in the opinion of our counsel, your rights require protection. We pay all costs, including attorneys' fees and court costs, associated with any litigation we commence or defend on your behalf to protect the marks and your right to use them. You must cooperate with us in any litigation.

We are aware of a third party, Golf Tech, Inc., which operates a custom club and repair center business in the state of Michigan and claims prior common law rights in its name. As of the date of this Disclosure Document, Golf Tech, Inc. had taken no further action to pursue its claimed rights.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

GOLFTEC Intellectual Property LLC (GTIP) has no registered patents or copyrights are material to the franchise.

We consider Operations Manual and related materials, training materials, the Licensed Methods and any software that we or an affiliate may in the future develop as our proprietary and confidential property. They may be used by you only as described in the Franchise Agreement. We require that you maintain the confidentiality of our information and adopt reasonable procedures to prevent unauthorized disclosure of these secrets and information. Although we have not obtained a copyright registration, we claim a copyright in Operations Manual and some of our advertising materials.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

We recognize that the most successful franchisees are those owners who take an active management role in the operation of the Improvement Centers. Therefore, you are required to participate personally in the overall business affairs and strategies of your Improvement Center. If you (or your managing partner or shareholder) are not planning to personally participate in the day-to-day operations of the Improvement Center, you must designate a manager ("**Center Manager**") to be responsible for the direct on-premises

supervision of the GOLFTEC Improvement Center at all times during its hours of operation. If you are a corporation, limited liability company or partnership, we do not require that your Center Manager own an equity interest in the entity. You or, if applicable, the Center Manager, must successfully complete our mandatory Franchise Training University (FTU) for a GOLFTEC Improvement Center. You must enter into a nondisclosure and noncompetition agreement with us (Exhibit H to this Disclosure Document). We recommend that you also sign a nondisclosure and noncompetition agreement with your managers.

We also require that nondisclosure and noncompetition covenants be agreed to as a part of the Certified Personal Coach Agreements (Exhibit I) you sign with the coaches who have been certified at GOLFTEC University (GTU) to be coaches at your Improvement Center one of your Certified Coaches may also serve as your Center Manager if he or she has completed all portions of FTU (Franchise Training University). You may not employ any Certified Coach of another GOLFTEC franchisee, GTFL, or GTE or an affiliate unless you execute a Certified Personal Coach Transfer Agreement (Exhibit I-1). You must also pay a non-refundable Certified Personal Coach Transfer Fee in the event you hire a Certified Personal Coach.

Other than the above, we make no recommendations and have no requirements regarding employment or other written agreements between you and your employees.

Each of your officers, directors, shareholders, partners or members (and, in our discretion, the respective spouses) shall be required to sign an agreement (Exhibit II to Franchise Agreement) personally guaranteeing and agreeing to perform all obligations of the franchisee under the Franchise Agreement.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may sell only those services and merchandise approved by us and may not use the Improvement Center or the Franchised Location for any purposes other than the operation of a GOLFTEC Improvement Center. Except for off-site activities that we expressly authorize, you may not sell GOLFTEC

products or services off-premises, on the Internet or by other electronic communications methods, by mail order or through catalogs. We will typically approve of your advertising on the Internet through approved websites. We will also typically approve of your conduct of off-site activities which meet the definition of an Exempt Event, off-site golf schools, short game sessions, golf clinics and client playing lessons, so long as these activities are conducted in accordance with our standards and specifications and within your Protected Territory or, if applicable, your Development Area.

You must honor commitments to provide lessons to clients, even if the client purchased the lessons at another GOLFTEC Improvement Center. You must also honor our published client policies as provided on our website and in Operations Manual. You must provide refunds to clients, subject to your local and state laws. If a refund is appropriate, we require that refunds be paid from the Improvement Center where lessons were originally purchased. We will act as clearinghouse amongst Improvement Centers to provide credits and debits as appropriate when GOLFTEC clients take lessons at Improvement Centers where they were not purchased. Credits and debits will be given against your Royalties due to us on at least a quarterly basis. See Item 6 for the amount of the credit or debit as of the date of this Disclosure Document.

You must sell all of the services and merchandise approved by GTFL, unless we designate that the service or merchandise is optional. We reserve the right to restrict your provision of services and merchandise at National Account locations in accordance with our arrangement with them. You must comply with our standards and specifications for merchandise mix and inventory levels. We have the right to change or supplement the types of authorized merchandise and services, and there are no limits on our right to do so. Other than the above, there are no restrictions on goods or services offered by you or on the customers to whom you may sell.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement. You should read these provisions in the Franchise Agreement attached to this Disclosure Document.

Provision	Section in Franchise Agreement	Summary
a. Length of the Franchise term	Section 17.1	10 years
b. Renewal or extension of the term	Sections 17.2 and 17.3	Term in the then current Franchise Agreement.
c. Requirements for you to renew or extend	Section 17.4	Remodel, pay fee, sign new agreement and release. If you seek to renew your franchise, you may be asked to sign a contract with materially different terms and conditions than your original contract.
d. Termination by you	None	Not applicable
e. Termination by us without cause	None	Not applicable
f. Termination by us with cause	Sections 18.1 and 18.2	We can terminate only if you commit any one of several listed violations.
g. "Cause" defined defaults which you can cure	Sections 18.1 and 18.2	30 days for operational defaults, 10 days for monetary defaults.

Provision	Section in Franchise Agreement	Summary
h. “Cause” defined non-curable defaults	Section 18.1	Unauthorized disclosure, conviction of a crime, abandonment, unapproved transfers, bankruptcy*, assignment for benefit of creditors, unsatisfied judgments, levy, foreclosure, repeated violations, misuse of Marks.
i. Your obligations on termination/nonrenewal	Section 18.5	Pay outstanding amounts, de-identification of Improvement Center, return of confidential information, covenant not to compete (see also r).
j. Assignment of contract by us	Section 16.6	No restriction on our right to assign.
k. “Transfer” by you – definition	Section 16.1	Includes transfer of Franchise Agreement or Improvement Center or any change in ownership of franchisee entity.
l. Our approval of transfer by you	Section 16.3	We have the right to approve all transfers, we may not unreasonably withhold our consent.
m. Conditions for our approval of transfer	Section 16.2	Transferee qualifies, all amounts due are paid in full, transferee completes training, transfer fee paid, then current contract signed, franchisee signs general release and noncompetition covenant.
n. Our right of first refusal to acquire your business	Section 16.4	We may match any offer.
o. Our option to purchase your business	Section 18.4	We may buy your Improvement Center or a portion of the assets of the Improvement Center upon termination or non-renewal.
p. Your death or disability	Section 16.7	Franchise must be assigned to approved third party within 120 days.
q. Non-competition covenants during the term of the franchise	Section 20.1	No involvement in competing business and no diversion.
r. Non-competition covenants after the franchise is terminated or expires	Section 20.2	For the protection of our trade secrets, intellectual property, Technology Systems, Licensed Methods, proprietary and confidential information, and other protectable interests, no post-franchise competing business for 2 years within 50 miles of your Protected Territory or any other Improvement Center or Protected Territory, as applicable.
s. Modification of the agreement	Section 23.1	No modifications generally but Operations Manual subject to change.

Provision	Section in Franchise Agreement	Summary
t. Integration/merger clause	Section 23.2	Only terms of the Franchise Agreement and other related written agreements are binding (subject to state law). Nothing in the Franchise Agreement or in any other related written agreement is intended to disclaim representations made in the franchise disclosure document.
u. Dispute resolution by arbitration or mediation	Article 22	Except for certain claims, arbitration in Colorado (subject to state law).
v. Choice of forum	Article 22	Arbitration and, for certain claims, litigation in Colorado (subject to state law).
w. Choice of law	Section 22.3	Colorado law applies (subject to state law).

* This provision may not be enforceable under federal bankruptcy law. (11 U.S.C. Section 101 et seq.)

DEVELOPMENT AGREEMENT

This table lists certain important provisions of the Development Agreement. You should read these provisions in the Development Agreement attached to this Disclosure Document.

Provision	Section in Development Agreement	Summary
a. Length of the franchise term	Section 4.1	10 years.
b. Renewal or extension of the term	None	No right to renew.
c. Requirements for you to renew or extend	None	Not applicable
d. Termination by you	Section 4.2	You may terminate for any reason on 60 days' notice.
e. Termination by us without cause	None	Not applicable
f. Termination by us with cause	Section 4.3	We can terminate if you default on the Development Agreement or any of your Franchise Agreements.
g. "Cause" defined non-curable defaults	Section 4.3	30 days' notice of breach of Development Agreement or Franchise Agreement
h. "Cause" defined non-curable defaults	Section 4.3	N/A
i. Your obligations on termination/nonrenewal	Section 4.4	You remain bound to all Franchise Agreements (see also r).
j. Assignment of contract by us	Section 5.1	No restriction on our right to assign.
k. "Transfer" by you – definition	Section 5.2	Includes transfer of interest in Development Agreement, or in franchisee entity.
l. Our approval of transfer by you	Section 5.2	We or our designee have the right to approve all transfers.
m. Conditions for transfer	Sections 5.2 and 5.3	Notice, transferee qualifies, pay transfer fee, same as Franchise Agreement.
n. Our right of first refusal to acquire your business	Section 5.4	We can match any offer.
o. Our option to purchase your business	None	Not applicable
p. Your death or disability	Section 5.2	Same as Franchise Agreement.

Provision	Section in Development Agreement	Summary
q. Non-competition covenants during the term of the franchise	Section 6.1	For the protection of our trade secrets, intellectual property, Technology Systems, Licensed Methods, proprietary and confidential information, and other protectable interests, no post-franchise, you are bound to the same restrictive covenants in the Franchise Agreements.
r. Non-competition covenants after the franchise is terminated or expires	Not applicable	You are bound to the same restrictive covenants in the Franchise Agreements.
s. Modification of the agreement	Section 8.5	No modification except on signing of a written agreement.
t. Integration/merger clause	Section 8.6	Only terms of Development Agreement and other related written agreements are binding (subject to state law). No other representations or promises will be binding. Nothing in the Development Agreement or in any other related written agreement is intended to disclaim representations made in the franchise disclosure document
u. Dispute resolution by arbitration or mediation	Section 8.1	Except for certain claims, arbitration in Colorado (subject to state law).
v. Choice of forum	Section 8.1	Arbitration and, for certain claims, litigation in Colorado (subject to state law).
w. Choice of law	Section 8.1	Colorado law applies (subject to state law).

ITEM 18 PUBLIC FIGURES

There is no compensation or other benefit given or promised to any public figure arising from either the use of the public figure in the name or symbol of the Franchise or the endorsement or recommendation of the Franchise by the public figure in advertisements. There are no public figures involved in our management.

The Franchise Agreement does not prohibit you from using the name of a public figure or celebrity in your promotional efforts or advertising; however, all advertising requires our approval.

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The Federal Trade Commission's (FTC) Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Joseph Assell at 67 Inverness Drive East, Suite A, Englewood, Colorado 80112, 303.779.9900, the Federal Trade Commission and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table 1

Systemwide Outlet Summary For Fiscal Years 2023 to 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	39	41	2
	2023	41	42	1
	2024	42	43	1
Company-Owned	2022	144	164	20
	2023	164	176	12
	2024	176	179	3
Total Outlets	2022	183	205	22
	2023	205	217	12
	2024	217	222	5

Table 2

Transfers of Outlets from Franchisees to New Owners (Other Than the Franchisor) For Fiscal Years 2022 to 2024

State	Year	Number of Transfers
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Totals	2022	0
	2023	0
	2024	0

Table 3

**Status of Franchised Outlets
For Fiscal Years 2022 to 2024**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
CA	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1	0
	2024	0	0	0	0	0	0	0
CO	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
CT	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
HI	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
ID	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
IN	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
LA	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
MI	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
MN	2022	5	0	0	0	5	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2022	2	0	0	0	2	0	0

MO	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
NE	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
NJ	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	2024	3	0	0	0	0	0	3
NV	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
NM	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
NY	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	1	0	1
	2024	1	0	0	0	0	0	1
OH	2022	10	0	0	0	0	0	10
	2023	10	0	0	0	0	0	10
	2024	10	0	0	0	0	0	10
PA	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
SC	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
TN	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
TX	2022	4	1	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	1	0	0	0	0	6
WI	2022	3	1	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2022	39	2	0	0	0	0	41
Totals	2023	41	3	0	0	1	1	42
	2024	42	1	0	0	0	0	43

Table 4

**Status of Corporate Outlets
For Fiscal Years 2022 to 2023**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired by Franchisor	Outlets closed	Outlets sold to Franchisees	Outlets at End of the Year
AL	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	1	0	0	0	2
AR	2022	0	1	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	1	0	0	0	2
AZ	2022	5	2	0	0	0	7
	2023	7	0	0	0	0	7
	2024	7	0	0	0	0	7
CA	2022	24	2	0	0	0	26
	2023	26	0	0	0	0	26
	2024	26	0	0	1	0	25
CO	2022	8	0	0	0	0	8
	2023	8	0	0	0	0	8
	2024	8	1	0	0	0	9
CT	2022	2	0	0	0	0	2
	2023	2	1	0	0	0	3
	2024	3	0	0	0	0	3
FL	2022	14	0	0	0	0	14
	2023	14	3	0	0	0	17
	2024	17	0	0	0	0	17
GA	2022	4	1	0	0	0	5
	2023	5	0	0	0	0	5
	2024	5	0	0	0	0	5
IA	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
IL	2022	8	0	0	0	0	8
	2023	8	1	0	0	0	9
	2024	9	0	0	0	0	9
KS	2022	2	1	0	0	0	3
	2023	3	0	0	0	0	3

	2024	3	0	0	0	0	3
KY	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
MA	2022	3	2	0	0	0	5
	2023	5	0	0	0	0	5
	2024	5	0	0	0	0	5
MD	2022	3	2	0	0	0	5
	2023	5	0	0	0	0	5
	2024	5	1	0	0	0	6
MI	2022	4	0	0	0	0	4
	2023	4	1	0	0	0	5
	2024	5	0	0	0	0	5
MN	2022	5	0	0	0	0	5
	2023	5	0	0	0	0	5
	2024	5	0	0	0	0	5
MO	2022	3	0	0	0	0	3
	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3
NC	2022	6	0	0	0	0	6
	2023	6	2	0	0	0	8
	2024	8	0	0	0	0	8
NJ	2022	3	1	0	0	0	4
	2023	4	1	0	0	0	5
	2024	5	0	0	0	0	5
NV	2022	3	1	0	0	0	4
	2023	4	0	0	0	0	4
	2024	4	0	0	0	0	4
NY	2022	2	1	0	0	0	3
	2023	3	1	1	0	0	5
	2024	5	1	0	0	0	6
OH	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
OK	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
OR	2022	3	0	0	0	0	3
	2023	3	0	0	0	0	3

	2024	3	0	0	0	0	3
PA	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
RI	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
SC	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
TN	2022	3	0	0	0	0	3
	2023	3	0	0	0	0	3
	2024	3	1	0	0	0	4
TX	2022	14	3	0	0	0	17
	2023	17	1	0	0	0	18
	2024	18	0	0	0	0	18
UT	2022	3	1	0	0	0	4
	2023	4	0	0	1	0	3
	2024	3	0	0	0	0	3
VA	2022	5	2	0	0	0	7
	2023	7	0	0	0	0	7
	2024	7	0	0	0	0	7
WA	2022	6	1	0	0	0	7
	2023	7	1	0	0	0	8
	2024	8	0	0	1	0	7
Totals	2022	144	20	0	0	0	164
	2023	164	13	0	1	0	176
	2024	176	4	1	2	0	179

Table 5

**PROJECTED OPENINGS
AS OF DECEMBER 31, 2024**

State	FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED	PROJECTED NEW FRANCHISED OUTLETS IN THE NEXT FISCAL YEAR	PROJECTED NEW COMPANY-OWNED OUTLETS IN THE NEXT FISCAL YEAR
TOTAL	0	0	0

The names of all Franchisees as of December 31, 2024, are listed as Exhibit E to this Disclosure Document. The name and last known home address of every Franchisee who has had a franchise terminated or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during fiscal year 2024 is listed on Exhibit F to this Disclosure Document. We have had one (1) franchise who have had a franchise not renewed or not communicated with us within 10 weeks of the date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

For a list of franchisees that have sold their units to GOLFTEC corporate and are no longer in the system, please see Exhibit F.

During the last three fiscal years, we signed a non-disparagement clause with three former franchisees, which clause was included in Asset Purchase Agreements between us and former franchisees.

In some instances, in the future, current and former franchisees may sign provisions restricting their ability to speak openly about their experience with us or the GOLFTEC franchise system. You may wish to speak with current and former franchisees but be aware that not all such franchisees may be able to communicate with you.

No independent franchisee organizations have asked to be included in this Disclosure Document. As of the date of this Disclosure Document, there are no trademark-specific franchisee organizations associated with the franchise system that have been created, sponsored or endorsed by us or any affiliate.

ITEM 21 FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit G are Consolidated Financial Statements as of December 31, 2024, December 31, 2023 and December 31, 2022 for Franchisor's parent company, GOLFTEC Enterprises LLC, and the related statements of operation and members' capital and cash flows for the years then ended, all of which are audited. Our fiscal year end is December 31.

Our parent company absolutely and unconditionally guarantees the performance of our obligations to franchisees under the Franchise Agreement. The Guaranty of Performance is included as Exhibit M.

ITEM 22 CONTRACTS

Attached to this Disclosure Document are the following franchise-related contracts:

Exhibit B Franchise Agreement
Exhibit I

Exhibit II Exhibit III Exhibit IV Exhibit V

Exhibit VI	Addendum to Franchise Agreement Guaranty and Assumption of Franchisee's Obligations Statement of Ownership Authorization Agreement for Prearranged Payments Software License Agreement Build-Out Program Addendum
Exhibit C	Development Agreement
Exhibit D	Collateral Assignment of Lease
Exhibit H	Nondisclosure and Noncompetition Agreement
Exhibit I	GOLFTEC Certified Personal Coach Agreement
Exhibit I-1	Certified Personal Coach Transfer Agreement
Exhibit J	Closing Acknowledgement
Exhibit L	Termination and Release Agreement
Exhibit M	Guaranty of Performance by Franchisor's Parent Company
Exhibit N	State Effective Dates
Exhibit O	Receipt

ITEM 23 RECEIPTS

The last page of the Disclosure Document (following the exhibits and attachments) is a document acknowledging receipt of the Disclosure Document by you (one copy for you and one copy to be signed and returned to us).

EXHIBIT A

**LIST OF STATE AGENCIES /
AGENTS FOR SERVICE OF PROCESS**

STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	California Department of Financial Protection and Innovation One Sansome Street, Suite 600 San Francisco, CA 94104 415-972-8559 1-866-275-2677	California Commissioner of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles 90013-2344 1-866-275-2677
CONNECTICUT	Securities and Business Investment Division Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103 860-240-8230	Connecticut Banking Commissioner Same Address
FLORIDA	Department of Agriculture & Consumer Services Division of Consumer Services Mayo Building, Second Floor Tallahassee, FL 32399-0800 850-245-6000	Same
GEORGIA	Office of Consumer Affairs 2 Martin Luther King Drive, S.E. Plaza Level, East Tower Atlanta, GA 30334 404-656-3790	Same
HAWAII	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities 335 Merchant Street, Room 205 Honolulu, HI 96813 808-586-2722	Commissioner of Securities of the State of Hawaii Dept. of Commerce and Consumer Affairs Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, HI 96813
ILLINOIS	Franchise Division Office of the Attorney General 500 South Second Street Springfield, IL 62706 217-782-4465	Illinois Attorney General Same Address
INDIANA	Securities Commissioner Indiana Securities Division 302 West Washington Street, Room E 111 Indianapolis, IN 46204 317-232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204
IOWA	Iowa Securities Bureau Second Floor Lucas State Office Building Des Moines, IA 50319 515-281-4441	Same

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
KENTUCKY	Kentucky Attorney General's Office Consumer Protection Division 1024 Capitol Center Drive Frankfort, KY 40602 502-696-5389	Same
LOUISIANA	Department of Urban & Community Affairs Consumer Protection Office 301 Main Street, 6th Floor One America Place Baton Rouge, LA 70801 504-342-7013 (gen. info.) 504-342-7900	Same
MAINE	Department of Business Regulations State House - Station 35 Augusta, ME 04333 207-298-3671	Same
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 410-576-6360	Maryland Securities Commissioner Same Address
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 525 W. Ottawa Street G. Mennen Williams Building, 1 st Floor Lansing, MI 48913 517-373-7117	Michigan Department of Commerce Corporations and Securities Bureau Same Address
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101 651-539-1500	Minnesota Commissioner of Commerce Same Address
NEBRASKA	Department of Banking and Finance Bureau of Securities/Financial Institutions Division 1526 K Street, Suite 300 Lincoln, NE 68508-2732 P.O. Box 95006 Lincoln, Nebraska 68509-5006 Tele: 402-471-2171	Same
NEW HAMPSHIRE	Attorney General Consumer Protection and Antitrust Bureau State House Annex Concord, NH 03301 603-271-3641	Same

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
NEW YORK	New York State Department of Law Investor Protection Bureau 28 Liberty St. 21 st FL New York, NY 10005 212-416-8222	Secretary of State of New York 99 Washington Avenue Albany, New York 12231
NORTH CAROLINA	Secretary of State's Office/Securities Division 2 South Salisbury Street Raleigh, NC 27601 919-733-3924	Secretary of State Secretary of State's Office Same Address
NORTH DAKOTA	North Dakota Insurance & Securities Department 600 East Boulevard Avenue Bismarck, ND 58505-0510 701-328-2910	North Dakota Insurance & Securities Commissioner Same Address
OHIO	Attorney General Consumer Fraud & Crime Section State Office Tower 30 East Broad Street, 15th Floor Columbus, OH 43215 614-466-8831 or 800-282-0515	Same
OKLAHOMA	Oklahoma Securities Commission 204 North Robinson Ave., Suite 400 Oklahoma City, OK 73102 405-280-7700	Same
OREGON	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 96310 503-378-4387	Director Department of Insurance and Finance Same Address
RHODE ISLAND	Rhode Island Department of Business Regulation Securities Division John O. Pastore Center – Building 69-1 1511 Pontiac Avenue Cranston, RI 02920 401-222-3048	Director, Rhode Island Department of Business Regulation Same address
SOUTH CAROLINA	Secretary of State P.O. Box 11350 Columbia, SC 29211 803-734-2166	Same
SOUTH DAKOTA	South Dakota Department of Labor and Regulation Division of Securities Regulation 124 S. Euclid Avenue, Second Floor Pierre, SD 57501 605-773-3563	Director of the South Dakota Division of Securities Regulation Same Address

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
TEXAS	Secretary of State Statutory Documents Section P.O. Box 12887 Austin, TX 78711-2887 512-475-1769	Same
UTAH	Utah Department of Commerce Consumer Protection Division 160 East 300 South (P.O. Box 146704) Salt Lake City, UT 84145-0804 TELE: 801-530-6601 FAX: 801-530-6001	Same
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising Tyler Building, 9 th Floor 1300 E. Main Street Richmond, VA 23219 804-371-9051	Clerk of the State Corporation Commission Tyler Building, 1st Floor 1300 E. Main Street Richmond, VA 23219 804-371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 360-902-8762	Director, Dept. of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507 360-902-8760
WISCONSIN	Wisconsin Dept. of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705 608-266-8557	Wisconsin Commissioner of Securities Same Address

EXHIBIT B

FRANCHISE AGREEMENT

GOLFTEC FRANCHISING LLC
FRANCHISE AGREEMENT

Franchisee: _____

Date: _____

Improvement Center Location: _____

**GOLFTEC FRANCHISING LLC
FRANCHISE AGREEMENT
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EXHIBITS

I	Addendum to Franchise Agreement
II	Guaranty and Assumption of Franchisee's Obligations
III	Statement of Ownership
IV	Authorization Agreement for Prearranged Payments
V	Build-Out Agreement

GOLFTEC FRANCHISING LLC
FRANCHISE AGREEMENT

THIS AGREEMENT (the “Agreement”) is made this ____ day of _____, 20__, by and between GOLFTEC FRANCHISING LLC, a Colorado limited liability company, located at 67 Inverness Drive East, Suite A, Englewood, Colorado 80112 (the “Franchisor”) and _____, a _____ limited liability company, located at _____ (the “Franchisee”), who, on the basis of the following understandings and agreements, agree as follows:

1. PURPOSE

1.1 The Franchisor has developed methods for establishing, operating and promoting retail improvement centers (“GOLFTEC Improvement Centers” or “Improvement Centers”) that provide golf instruction at all experience levels, using digital video, impact analysis, and motion analysis computers to measure a golfer’s swing. The Improvement Centers are established and operated under the trademark “GOLFTEC” and other logos, trademarks, service marks and commercial symbols related to the trade names and trademarks (“Marks”) and use the Franchisor’s distinctive business format, licensed golf instruction techniques, systems, methods, procedures, software, patents, designs, layouts, advertising, promotional and marketing methods, technology and data, operational standards and specifications, and various other licensed methods of doing business (“Licensed Methods”).

1.2 The Franchisor grants the right to others to develop and operate GOLFTEC Improvement Centers, under the Marks and pursuant to the Licensed Methods.

1.3 The Franchisee desires to establish a GOLFTEC Improvement Center at a location identified in this Agreement or to be later identified, and the Franchisor desires to grant the Franchisee the right to operate a GOLFTEC Improvement Center at such location under the terms and conditions which are contained in this Agreement.

2. GRANT OF FRANCHISE

2.1 Grant of Franchise.

The Franchisor grants to the Franchisee, and the Franchisee accepts from the Franchisor, the right to use the Marks and Licensed Methods in connection with the establishment and operation of a GOLFTEC Improvement Center, at the location described in Section 3.1 of this Agreement. The Franchisee agrees to use the Marks and Licensed Methods, as they may be changed, improved, and further developed by the Franchisor from time to time, only in accordance with the terms and conditions of this Agreement.

2.2 Scope of Franchise Operations.

The Franchisee agrees at all times to faithfully, honestly and diligently perform the Franchisee’s obligations hereunder, and to continuously use best efforts to promote the GOLFTEC Improvement Center. The Franchisee agrees to utilize the Marks and Licensed Methods to operate all aspects of the business franchised hereunder in accordance with the methods and systems developed and prescribed from time to time by the Franchisor, all of which are a part of the Licensed Methods. The Franchisee’s GOLFTEC Improvement Center shall offer all services and merchandise as the Franchisor shall designate. The Franchisee shall be restricted from offering or selling any services and merchandise not previously approved by the Franchisor in writing, from engaging in any other business other than operation of an Improvement Center and from offering golf instruction and related services off-site from the Improvement

Center, except as otherwise provided in this Agreement or by separate, written authorization from the Franchisor.

3. FRANCHISED LOCATION AND TERRITORIAL RIGHTS

3.1 Franchised Location.

The Franchisee is granted the right and franchise to own and operate one GOLFTEC Improvement Center at the address and location which shall be stated in Exhibit I, attached hereto (“**Franchised Location**”). If, at the time of execution of this Agreement, the Franchised Location cannot be designated as a specific address because a location has not been selected and approved, then the Franchisee shall promptly take steps to choose and acquire a location for its GOLFTEC Improvement Center within the nonexclusive “**Designated Area**,” defined in Exhibit I. In such circumstances, the Franchisee shall select and propose to the Franchisor for the Franchisor’s prior approval a specific location for the Franchised Location which, once approved by the Franchisor, shall then be stated in the rider to Exhibit I.

3.2 Protected Territory.

So long as the Franchisee is in compliance with this Agreement and any other agreements with the Franchisor and its affiliated companies, and subject to the Franchisor’s reservation of rights described in Section 3.5 below, the Franchisor shall not operate, or grant franchises or licenses to others for the operation of, GOLFTEC Improvement Centers in the geographic area (“**Protected Territory**”) described in Exhibit I, attached to this Agreement. The designation of the Protected Territory shall not provide the Franchisee with any exclusive right to market to or provide services to any particular clients or customers.

3.3 No Relocation.

The rights that are granted to the Franchisee are for the specific Franchised Location and Protected Territory and cannot be transferred to an alternative Franchised Location or Protected Territory, or any other location, without the prior written approval of the Franchisor, which approval shall not be unreasonably withheld.

3.4 National Accounts.

The Franchisor may, from time to time, contract with “National Accounts” to locate GOLFTEC Improvement Centers at National Account locations.

a. A “**National Account**” means either a single client that conducts its business for its own account or through agents, dealerships, affiliates, independent contractors or franchisees, in two or more states in the United States and at eight or more locations which client has contracted with the Franchisor to locate Improvement Centers at certain of its business locations.

b. If the Franchisor or its affiliates contracts with a National Account which has a location in the Franchisee’s Protected Territory or, if applicable, Development Area, the Franchisor will contact the Franchisee to provide the Franchisee with an opportunity to locate an Improvement Center at that location, on the terms and conditions agreed to by the Franchisor and the National Account. The Franchisee agrees that it will respond in writing to the Franchisor within 15 days and that it will comply with the terms and conditions negotiated by the Franchisor, if the Franchisee desires to locate an Improvement Center at such location. The Franchisee shall comply with the timetable required by the National Account to develop the Improvement Center at the National Account location. The Franchisor shall provide the Franchisee with: (1) the Franchisor’s then current Disclosure Document, or the Franchisor

shall otherwise comply with the then applicable laws and regulations regarding the sale of a franchise, and (2) execution copies of the then current Franchise Agreement and other agreements. Within 60 days of receipt of the Franchisor's Disclosure Document (but no earlier than the applicable compliance period), the Franchisee shall execute and return to the Franchisor the enclosed Franchise Agreement and other agreements and pay to the Franchisor the then current initial franchise fee. If the Franchisee does not elect to locate an Improvement Center at the National Account location in its Protected Territory or, if applicable, Development Area, the Franchisor, or its designees, including other GOLFTEC franchisees, will have the right to locate an Improvement Center at such location and the Franchisee shall have no rights to such National Account location during the pendency of the Franchisor's contract with the National Account, and the Franchisee shall not be entitled to receive any compensation.

3.5 Franchisor's Reservation of Rights.

The Franchisee acknowledges that its franchise rights as granted under this Agreement are non-exclusive and that the Franchisor and its affiliates, as applicable, retain the rights, among others:

a. to use, and to license others to use, the Marks and Licensed Methods in connection with the operation of a GOLFTEC Improvement Center, at any location, subject to the Franchisee's rights to its Protected Territory described in Section 3.2 above;

b. to use the Marks at any location within and outside of the Protected Territory to identify, offer and sell other services and products other than those which the Franchisee sells; to promote and market GOLFTEC Improvement Centers and related services and merchandise; to provide golf instruction services using the Licensed Methods off-site from an Improvement Center; and to identify, offer and sell services and products similar to those which the Franchisee will sell, but made available through alternative channels of distribution other than through GOLFTEC Improvement Centers, including but not limited to, by way of Internet or other electronic communications methods;

c. to solicit, coordinate and provide, and to license others to solicit and provide, corporate entertainment and events services using the Marks and Licensed Methods not conducted at any Improvement Center but rather in conjunction with and at corporate or trade association conventions, trade shows or other organization gatherings, wherever located, whether in or outside the Protected Territory, subject to GOLFTEC Events definitions, policies and procedures, described in Section 9.3 of this Agreement;

d. to contract with and locate GOLFTEC Improvement Centers at National Account locations, subject to the rights granted the Franchisee described in Section 3.4 above; and

e. to use and license the use of alternative proprietary marks or methods in connection with the sale of products and services similar to those which the Franchisee will sell, whether in alternative channels of distribution or in connection with the operation of businesses which sell golf instruction or golf merchandise, which businesses are the same as, or similar to, or different from GOLFTEC Improvement Centers, on any terms and conditions as the Franchisor deems advisable.

4. INITIAL FRANCHISE FEE

4.1 Initial Franchise Fee.

In consideration for the right to develop and operate one GOLFTEC Improvement Center, the Franchisee agrees to pay to the Franchisor, concurrently with the execution of this Agreement, an initial franchise fee in an amount stated in Exhibit I ("Initial Franchise Fee"), attached to this Agreement. The

Franchisee acknowledges and agrees that the initial franchise fee represents payment for the initial grant of the rights to use the Marks and Licensed Methods, that the Franchisor has earned the initial franchise fee upon receipt thereof and that the fee is under no circumstances refundable to the Franchisee after it is paid, unless otherwise specifically stated in this Agreement.

5. DEVELOPMENT OF FRANCHISED LOCATION

5.1 Approval of Franchised Location.

The Franchisee shall follow the Franchisor's site selection procedures in locating a Franchised Location for the GOLFTec Improvement Center. The Franchisee shall seek the Franchisor's approval of any site proposed as a Franchised Location, by submitting a complete site submittal package, including demographics, photographs and other materials requested by the Franchisor, containing all information reasonably required by the Franchisor to assess a proposed Franchised Location. The Franchisor may send a representative to the proposed Franchised Location prior to granting approval of a proposed site. If additional visits to approve a different proposed Franchised Location are necessary, the Franchisee shall reimburse the Franchisor for the travel, lodging and living expenses incurred by the Franchisor. The Franchisor will not unreasonably withhold approval of a proposed site that meets all of the Franchisor's site selection criteria. The Franchisee shall obtain the Franchisor's approval of a Franchised Location within 90 days of the date of execution of this Agreement. If the Franchisor disapproves of a site proposed by the Franchisee, the Franchisor will grant the Franchisee an additional, reasonable period of time to obtain approval of a different proposed Franchised Location, as may be determined in the Franchisor's reasonable business judgment.

5.2 Approval of Lease.

The Franchisee shall obtain the Franchisor's prior written approval of any lease or purchase agreement for the Franchised Location before such lease or purchase agreement is signed. The lease for the Franchised Location shall contain provisions:

providing that the initial term of the lease, or the initial term together with any renewal terms (for which rent must be specified in the lease), must be for at least 10 years, although the Franchisor recommends that the initial term of the lease be limited to three, four or five years;

expressing the landlord's consent to the Franchisee's use of the Marks and signage which the Franchisor initially prescribes for the Improvement Center;

giving the Franchisor the right to enter the premises to make any modification necessary to protect the Marks and the Licensed Methods;

allowing the Franchisor or its designee, without the landlord's approval, the option to assume the Franchisee's occupancy rights under the existing lease terms and have the right to assign the lease or sublet the premises, for all or any part of the lease term, if the Franchisee is in default under the lease or the Franchise Agreement or if the lease or Franchise Agreement is terminated;

requiring the landlord to provide the Franchisor with a notice of default and an opportunity to cure any default; and

restricting the use of the premises in a manner approved by the Franchisor.

The lease shall be collaterally assigned to the Franchisor as security for the Franchisee's timely performance of all obligations under this Agreement and the Franchisee shall obtain the lessor's consent to such collateral assignment. The Franchisee shall deliver a copy of the signed lease for the Franchised Location to the Franchisor within 15 days of its execution. The Franchisee acknowledges that the Franchisor's review and approval of a lease for the Franchised Location does not constitute a recommendation, endorsement or guarantee by the Franchisor of the suitability or profitability of the location or the lease and the Franchisee should take all steps necessary to ascertain whether such location and lease are acceptable to the Franchisee.

5.3 Conversion and Design.

The Franchisee acknowledges that the layout, fixtures, design, decoration, color scheme and furnishing of GOLFTEC Improvement Centers are an integral part of the Franchisor's Licensed Methods and accordingly, the Franchisee shall hire the Franchisor to manage the construction, conversion, designing, decorating and furnishing of the Franchised Location in accordance with the terms and conditions outlined in the buildout agreement, attached as Exhibit VI (the "**Build-Out Program**"), to this Agreement. Once the Improvement Center is open for business, the Franchisee shall obtain the Franchisor's written consent before undertaking any additional conversion, design or decoration of the premises. It shall be the Franchisee's responsibility to ensure ongoing compliance with any lease and applicable laws, including, without limitation, the Americans with Disabilities Act.

5.4 Signs.

The Franchisee shall purchase or otherwise obtain for use at the Franchised Location and in connection with the GOLFTEC Improvement Center signs which comply with the standards and specifications of the Franchisor as stated in the Operations Manual, as that term is defined in Section 8.1. It is the Franchisee's sole responsibility to ensure that all signs comply with applicable local ordinances, mall regulations, building codes and zoning regulations. Any modifications to the Franchisor's standards and specifications for signs which must be made due to local ordinances, codes or regulations shall be submitted to the Franchisor for prior written approval. The Franchisee acknowledges the Marks, or any other name, symbol or identifying marks on any signs shall only be used in accordance with the Franchisor's standards and specifications and only with the prior written approval of the Franchisor.

5.5 Equipment and Merchandise.

The Franchisee shall purchase or otherwise obtain for use or sale at the Franchised Location and in connection with the GOLFTEC Improvement Center equipment and merchandise of a type and in an amount which complies with the standards and specifications of the Franchisor. The Franchisee acknowledges that the type, quality, configuration, capability and/or performance of the equipment, merchandise and other products and services used or offered through the GOLFTEC Improvement Center are all standards and specifications which are a part of the Licensed Methods and therefore such equipment, inventory, products and other items must be purchased, leased or otherwise obtained in accordance with the Franchisor's standards and specifications and only from the Franchisor, its affiliates or suppliers or other sources approved by the Franchisor.

5.6 Technology Systems and Point-of-Sale System

The Franchisee shall equip the Improvement Center with a point-of-sale system, computer hardware, software and other designated equipment as is consistent with the standards and specifications of the Franchisor. The Franchisee shall purchase from the Franchisor or its affiliate its licensed computer hardware and software used for golf instruction, in such amounts as designated by the Franchisor and appropriate for the size of the Improvement Center and the number of instruction bays, together with the

related office and networking system hardware and software (collectively referred to as “**Technology Systems**”). All installation, integration and configuration of the Franchisee’s Technology Systems shall be performed by the Franchisor. The Franchisee shall pay for the Technology Systems and the installation, integration and configuration of the Technology Systems at the time of order. The Franchisee shall purchase, install and utilize in its Improvement Center the point-of-sale system hardware and software (“**POS System**”) which is provided from the Franchisor with the payment of the Software License Fee. The Franchisee shall be responsible for all maintenance and support costs and license fees associated with the Technology Systems and POS System and related systems including, without limitation, credit card processing, through the Franchisee’s payment of its Software License Fee. The Franchisee, at the Franchisee’s sole cost, shall join an electronic network connection service to facilitate communication between the Franchisor and the Franchisee. The Franchisor reserves the right to require that the Franchisor shall be given reasonable access to all information and data from the Technology Systems and POS System by computer modem, internet connection or by other means.

5.7 Permits and Licenses.

The Franchisee agrees to obtain all such permits and certifications as may be required for the lawful operation of the GOLFTEC Improvement Center together with all certifications from government authorities having jurisdiction over the site, that all requirements for operation have been met, including without limitation, licenses to do business and fictitious name registrations, sales tax permits, health and sanitation permits and ratings and fire clearances.

5.8 Commencement of Operations.

Unless otherwise agreed to in writing by the Franchisor and the Franchisee, the Franchisee has 180 days from the date of this Agreement within which to: (1) secure all necessary financing for the Improvement Center; (2) complete the initial training program (“FTU”) described in Section 6.2 of this Agreement and employ a minimum of two Certified Personal Coaches (defined in Section 6.1 below) who have completed the GOLFTEC University (“GTU”) certification program as described in Sections 6.1 and 6.2 of this Agreement; (3) select, lease and develop the Franchised Location; (4) purchase an opening inventory of merchandise and supplies; (5) obtain and provide evidence of insurance as described in Article 21 below; and (6) commence operation of the GOLFTEC Improvement Center. The Franchisor will extend the time in which the Franchisee has to commence operations for a reasonable period of time in the event factors beyond the Franchisee’s reasonable control prevent the Franchisee from meeting this development schedule, so long as the Franchisee has made reasonable and continuing efforts to comply with such development obligations and the Franchisee requests, in writing, an extension of time in which to have its GOLFTEC Improvement Center established before such development period lapses. The Franchisee shall obtain the Franchisor’s approval prior to opening the Improvement Center for business.

6. TRAINING

6.1 GOLFTEC University Certification (“GTU”).

Up to three personal coaches shall be certified at GTU (“**Certified Coach**”, “**Coach**” or “**Certified Personal Coach**”) as part of the initial Franchise Fee (the Franchisor recommends that the coaches be PGA or LPGA Members or Apprentices). As stated in Section 5.8 above, at least two Coaches are required to be employed by the Franchisee and certified at GTU prior to commencement of operations. Certified Coaches shall be employed by the Franchisee to handle client instruction at the Improvement Center and only Certified Coaches may provide golf instruction to clients of the Improvement Center. Additional or replacement Certified Coaches shall be trained and certified by the Franchisor upon application by the Franchisee, and the Franchisee shall be charged the then current, published GTU tuition or fee for their certification training. Certified Coaches shall be required to attend follow-up refresher courses, at the

option of the Franchisor, which the Franchisor may make available as often as annually. As a condition of certification, all Certified Coaches must execute a Certified Personal Coach Agreement.

6.2 Initial Training Program- Franchise Training University (“FTU”).

The Franchisee or, if the Franchisee is not an individual, the person designated by the Franchisee to assume primary responsibility for the management of the GOLFTEC Improvement Center (“**Store Manager**”), is required to attend and successfully complete Phase I of FTU before the Improvement Center opens for business. All individuals attending FTU will also attend, as a part of their training, certain of the GTU sessions for Certified Coaches, but non-golf professionals completing FTU will not be eligible to become Certified Coaches. At least one individual must successfully complete Phase I of FTU prior to the Franchisee’s commencement of operation of its GOLFTEC Improvement Center; provided, however the FTU requirement may be fulfilled, at the Franchisee’s option, by at least one of the two Certified Coaches. Additionally, within 60 days after the opening of the Improvement Center, the Franchisee shall be required to participate in Phase II of FTU.

6.3 Length and Cost of Training Programs.

Phase I and II of FTU shall each consist of up to three days of instruction and training (exclusive of GTU training) at a location or virtual as designated by the Franchisor. GTU (GOLFTEC University) for Certified Coaches shall consist of 8 to 12 days of a combination classroom, online and hands-on training at a location and time designated by the Franchisor and may be conducted in more than 1 training session. The Franchisor reserves the right to waive a portion of FTU or GTU sessions, or alter the training schedule, if, in the Franchisor’s sole discretion, the Franchisee or the Store Manager or the prospective Certified Coach has sufficient prior experience or training. Up to three perspective coaches are trained by the Franchisor without charge of a tuition or fee for GTU, and we do not charge for Franchisee and/or Franchisee’s Store Manager to attend FTU. Additional attendees approved by the Franchisor shall be charged the Franchisor’s then current published rate for tuition at either training course or online, payable prior to attendance. The Franchisee shall be responsible for any and all travel, lodging and living expenses incurred in connection with attendance at the initial training programs, including the Franchisee’s GTU attendees, and any compensable time that may be payable pursuant to state and federal law or the terms of employment negotiated between Franchisee and coach.

6.4 Additional Training.

The Franchisor shall provide additional opening training and assistance on-site at the Franchisee’s Improvement Center, as described in Section 7.1.f below. From time to time, the Franchisor may also present seminars, conventions or continuing development programs or conduct meetings for the benefit of the Franchisee or its Certified Coaches. The Franchisee or its Store Manager shall be required to attend any ongoing mandatory seminars, conventions, programs or meetings as may be offered by the Franchisor. The Franchisor shall give the Franchisee at least 30 days prior written notice of any ongoing seminar, convention or program which is deemed mandatory. The Franchisor shall not require that the Franchisee, its Store Manager and/or its employees attend any national convention more often than once a year and any local or regional seminar or meeting more than twice a year. A representative from your Development Area (if applicable) or from your Designated Area must attend any annual national convention. Certified Coaches may be required to attend annual refresher training, as mentioned in Section 6.1 above. All mandatory training described in this Section 6.4 will be offered by the Franchisor at a reasonable tuition or fee, and, the Franchisee will be responsible for all travel, lodging and living expenses which are associated with attendance at the same.

7. DEVELOPMENT ASSISTANCE

7.1 **Franchisor's Development Assistance.**

The Franchisor shall provide the Franchisee with assistance in the initial establishment of the GOLFTEC Improvement Center as follows:

Provision of FTU and GTU training to be conducted at the Franchisor's designated training facilities, online or at another location designated by the Franchisor, as described in Article 6 above.

Provision of written specifications for a Franchised Location which shall include, without limitation, specifications for space requirements, build out and the demographics and character of the surrounding market area. The Franchisee acknowledges that the Franchisor shall have no other obligation to provide assistance in the selection and approval of a Franchised Location other than the provision of such written specifications and approval or disapproval of a proposed Franchised Location. The Franchisor shall be entitled to rely on information submitted to the Franchisor in a form sufficient to assess the proposed location as may be reasonably required by the Franchisor.

Subject to the terms and conditions of the Build-Out Agreement, directives regarding the required conversion, design and decoration of the GOLFTEC Improvement Center premises, plus standards and specifications concerning interior and exterior signs, décor, color, products, inventory, equipment, uniforms, GOLFTEC Improvement Center layout and instruction bay design.

Make available for purchase by the Franchisee the Technology Systems for the Franchisee's Improvement Center. The Franchisor shall provide installation, integration and configuration services for the Franchisee's Technology Systems at the Franchised Location prior to commencement of the Franchisee's operations. The Franchisor shall also provide the Franchisee with information and advice about approved suppliers of fixtures, supplies, equipment, materials and services used in and merchandise sold through the GOLFTEC Improvement Center. After execution of this Agreement, the Franchisor will provide the Franchisee with a list of approved suppliers, if any, of the equipment, supplies, fixtures, materials, services and merchandise and, if available, a description of any national or central purchase and supply agreements offered by such approved suppliers for the benefit of GOLFTEC franchisees.

Provision of an operations manual in accordance with Section 8.1 below.

The Franchisor will make available to the Franchisee at or around the commencement of operations of the Franchisee's GOLFTEC Improvement Center, a representative of the Franchisor to be present for up to three days to assist Franchisee in the opening and initial operation of the GOLFTEC Improvement Center. The Franchisee shall pay for travel, lodging and living expenses incurred while Franchisor is providing such assistance. The representative will assist the Franchisee's employees in the opening and initial operation of the Improvement Center at a time scheduled by the Franchisor, unless in the Franchisor's determination, the Franchisee or the Store Manager have had sufficient prior training or experience.

8. OPERATIONS MANUAL

8.1 **Operations Manual.**

The Franchisor agrees to provide to the Franchisee certain manuals, technical bulletins, video and written materials (collectively referred to as "**Operations Manual**"), in hard copy or electronic form, covering certain standards and specifications for golf instruction and other services and merchandise offered

at or through the Improvement Center, the operating standards and marketing techniques for the Improvement Center and specifications for the Franchised Location, Improvement Center opening, build-out, signs, fixtures, instruction bays, technology, equipment, furnishings, employee attire, supplies, forms, advertising material and other items used at or sold through the Improvement Center. GOLFTEC may post some or all of the Operations Manual on a restricted Website or extranet to which the Franchisee will have access. The Franchisee agrees that it shall comply with the Operations Manual as an essential aspect of its obligations under this Agreement and failure by the Franchisee to substantially comply with the Operations Manual may be considered by the Franchisor to be a breach of this Agreement.

8.2 Confidentiality of Operations Manual Contents.

The Franchisee agrees to use the Marks and Licensed Methods only as specified in the Operations Manual. The Operations Manual is the sole property of the Franchisor and shall be used by the Franchisee only during the term of this Agreement and in strict accordance with the terms and conditions hereof. The Franchisee shall not duplicate the Operations Manual nor disclose its contents to persons other than its employees or officers who have signed a nondisclosure and noncompetition agreement in a form approved by the Franchisor. Any passwords or other digital identifications necessary to access the Operations Manual on a Website or extranet will be deemed to be confidential. The Franchisee shall return the Operations Manual, with any written updates, to the Franchisor upon the expiration, termination or assignment of this Agreement.

8.3 Changes to Operations Manual.

The Franchisor reserves the right to revise the Operations Manual from time to time as it deems necessary to update or change operating and marketing techniques or standards and specifications. Some or all changes may be posted on a restricted Website or extranet. The Franchisee, upon receipt of any updated information, shall update its copy of the Operations Manual as instructed by the Franchisor and shall conform its operations with the updated provisions within a reasonable time thereafter. The Franchisee acknowledges that a master copy of the Operations Manual maintained by the Franchisor at its principal office, whether in hard copy or electronic form, shall be controlling in the event of a dispute relative to the content of any Operations Manual.

9. OPERATING ASSISTANCE

9.1 Franchisor's Services.

The Franchisor agrees that, during the Franchisee's operation of the GOLFTEC Improvement Center, the Franchisor shall make available to the Franchisee the following services. The degree of Franchisor's assistance to you will be prorated based upon the level of franchise you purchase.

Upon the reasonable request of the Franchisee, consultation by telephone or electronic mail, regarding the continued operation and management of a GOLFTEC Improvement Center and advice regarding client instruction techniques, ancillary client services, merchandising, GOLFTEC Events (defined _ below) and client relations. Two hours of consultation a month shall be provided without charge; the Franchisor reserves the right to charge for additional time spent, at its then current published rate.

Access to advertising and promotional materials and designs, whether produced through proceeds from the NMAAF (defined in Section 12.3 below) or otherwise, although the costs of reproduction, reprinting and placement shall be the Franchisee's responsibility.

On-going updates of information and programs regarding any new client instruction techniques, marketing and promotional programs, the competition, the industry, the GOLFTEC Improvement Center concept and the Licensed Methods, including, without limitation, information about special or new products and merchandising concepts and methods which the Franchisor may, at its option, develop and make available to Franchisees.

The Franchisor shall train replacement or additional Store Managers and Certified Coaches through provision of the applicable portions of FTU and/or GTU training, for the charge of a tuition or fee commensurate with the Franchisor's current published prices, payable in advance. The Franchisee shall be responsible for all travel, lodging and living expenses incurred by its personnel during the training programs. The availability of the training programs shall be subject to space and timing considerations and prior commitments to new GOLFTEC Improvement Center franchisees and their pros.

9.2 Technology Support.

The Franchisor shall provide database and website administration for GOLFTEC.com, for listings of store locations and staff, reporting and accounting information in CADDYMASTER, and hosting of Player Performance sessions.

9.3 GOLFTEC Events

Except for Exempt Events (defined below), the Franchisor or its designee shall coordinate the sales efforts and contract administration for the provision of GOLFTEC Improvement Center services at all corporate entertainment and events not conducted at an Improvement Center, but rather in conjunction with and at corporate or trade association conventions, trade shows or other organization gatherings ("GOLFTEC Events"). "Exempt Events" are GOLFTEC Events solicited by the Franchisee to be held within the Protected Territory or, if applicable, the Development Area of the Franchisee, that will generate proceeds of \$10,000 or less. The Franchisor reserves the right, in its sole discretion, to modify the parameters of what constitutes an Exempt Event. The Franchisee shall obtain the prior written approval of the Franchisor for all GOLFTEC Events, including Exempt Events. At GOLFTEC Events, the Franchisor's or, in the sole discretion of the Franchisor, a GOLFTEC franchisee's Certified Coaches shall conduct instructional activities, games, contests and demonstrations that include swing analysis and longest drive, putting and closest-to-the-pin contests. The Franchisee shall receive GOLFTEC Events training as a part of FTU and shall be authorized, subject to the prior approval of the Franchisor, to solicit GOLFTEC Events clients within the Protected Territory and, if applicable, Development Area. The Franchisee shall obtain the prior written consent of the Franchisor prior to soliciting any GOLFTEC Events client located outside of the Protected Territory or, if applicable, Development Area of the Franchisee. Except Exempt Events, all such potential sales shall be turned over to the Franchisor or Franchisor's designee and shall be consummated, in the Franchisor's sole discretion, by the Franchisor's or Franchisor's designee's execution of a coordination agreement with the GOLFTEC Events client. The Franchisee acknowledges and agrees that all GOLFTEC Events clients are owned by and the provision of services at events are coordinated by the Franchisor or Franchisor's designee. Except for Exempt Events, the Franchisor or Franchisor's designee shall determine which Certified Coaches will fulfill the GOLFTEC Events. Participation by the Franchisee in the fulfillment of a GOLFTEC Event shall be in accordance with the policies and procedures stated in this Agreement and the Operations Manual. If the Franchisee requests the assistance of the Franchisor in fulfilling a GOLFTEC Event (i.e., the critique of golf swings captured by the Franchisee electronically and similar assistance) and the Franchisor agrees to provide such assistance, in its sole discretion, the Franchisee shall pay to the Franchisor the applicable fees and expenses for such assistance at the then current published rates. Proceeds from GOLFTEC Events held outside the Franchisee's Protected Territory (or, if applicable, Development Area), or are held inside of the Protected Territory (or, if applicable, Development Area,) but are based on a contract that will generate revenue in excess of

\$10,000 per event, are split in accordance with Section 11.6 below. Franchisor's designee is currently GOLFTEC Events LLC. GOLFTEC Events LLC is not associated with Franchisor and Franchisor does not control GOLFTEC Events LLC.

9.4 Additional Franchisor Services.

Although not obligated to do so, the Franchisor may make its employees or designated agents available to the Franchisee for on-site or virtual advice and assistance in connection with the on-going operation of the GOLFTEC Improvement Center governed by this Agreement. In the event that the Franchisee requests such additional assistance and the Franchisor agrees to provide the same, the Franchisor reserves the right to charge the Franchisee for all travel, lodging, living expenses, telephone charges and other identifiable expenses associated with such assistance, plus a fee based on the time spent by each employee or designated agent of the Franchisor on behalf of the Franchisee, which fee will be charged in accordance with the then current daily or hourly rates being charged by the Franchisor for assistance.

10. FRANCHISEE'S OPERATIONAL COVENANTS

10.1 Business Operations.

The Franchisee acknowledges that it is solely responsible for the successful operation of its GOLFTEC Improvement Center and that the continued successful operation thereof is, in part, dependent upon the Franchisee's compliance with this Agreement and the Operations Manual. In addition to all other obligations contained in this Agreement and in the Operations Manual, the Franchisee shall comply with the following operational obligations:

a. **Quality of Operations.** The Franchisee shall maintain clean, efficient and high quality GOLFTEC Improvement Center operations and shall operate the business in accordance with the Operations Manual and in such a manner as not to detract from or adversely reflect upon the name and reputation of the Franchisor and the goodwill associated with the GOLFTEC name and Marks.

b. **Compliance with Laws and Good Business Practices.** The Franchisee will conduct itself and operate its GOLFTEC Improvement Center in compliance with all applicable laws and regulations in such a manner so as to promote a good public image in the business community. In connection therewith, the Franchisee will be solely and fully responsible for obtaining any and all licenses to carry on business at the GOLFTEC Improvement Center. The Franchisee shall promptly forward to the Franchisor copies of all health department, fire department, building department and other similar reports of inspections as and when they become available to the Franchisee. The Franchisee shall also immediately forward to the Franchisor building department or similar violations upon receipt thereof or any other inspection reports, warnings, certificates or ratings issued by any governmental entity during the term of this Agreement in connection with the conduct of the GOLFTEC Improvement Center which indicates the Franchisee's failure to meet or maintain the highest governmental standards, or less than full compliance by the Franchisee with any applicable law, rule or regulation. The Franchisee shall be solely responsible for any penalties or fines assessed for failure to abide by such laws, regulations and ordinances.

c. **Management.** The Franchisee acknowledges that proper management of the GOLFTEC Improvement Center is important and shall ensure that the Franchisee or a designated Center Manager who has completed FTU is responsible for the management of the GOLFTEC Improvement Center. The owner of the Franchisee is required to participate personally in the direct management and operation of the Improvement Center, as such participation improves the probability for business success. If the owner of the Franchisee does not participate in the day-to-day operation of the Improvement Center, Franchisee must designate a Center Manager to be responsible for the direct on-premises supervision of the

Improvement Center at all times during its hours of operation. If the Store Managers are not Certified Coaches, the Center Managers shall execute a Nondisclosure and Noncompetition Agreement with the Franchisor.

d. **Merchandise.** The Franchisee acknowledges that the availability of certain quality merchandise is a material aspect of the Licensed Methods. Therefore, the Franchisee agrees to purchase from approved sources and continuously maintain minimum levels of inventory of custom-fitting equipment of brands designated by the Franchisor and including certain promotional merchandise and training aides. The Franchisee shall also maintain a supply of golf balls and gloves for client instruction, as well as an inventory of custom-fit, custom-made brand name golf clubs as designated by the Franchisor.

e. **Approved Services and Merchandise.** The Franchisee shall offer only services and merchandise through its Improvement Center which meet or exceed the minimum standards and specifications established by the Franchisor more fully described in the Operations Manual. The Franchisee shall offer all types of services and merchandise as from time to time may be prescribed by the Franchisor and shall refrain from offering any other types of services or merchandise or operating or engaging in any other type of business or profession, from or through the Franchisee entity, if applicable. Except for off-site activities that the Franchisor has expressly approved and services and merchandise authorized in writing by the Franchisor, the Franchisee shall refrain from offering any other types of services or merchandise or operating or engaging in any other type of business or profession, from or through the GOLFTEC Improvement Center, including, without limitation, soliciting sales of any sort on the Internet or by other electronic communications methods or selling merchandise via the Internet, by mail order or through catalogs.

f. **Payment of Obligations.** The Franchisee will pay on a timely basis all amounts due and owing to the Franchisor or its affiliates for inventory, all amounts due and owing pursuant to any separate agreements, including any premises sublease, between the Franchisee and the Franchisor and its affiliates and all amounts due and owing by the Franchisee to all third parties, including landlords, suppliers, vendors and taxing authorities, with whom the Franchisee does business at or through the Improvement Center. If amounts due and owing from the Franchisee to the Franchisor pursuant to this Agreement or any separate agreements are recurring fees, such as central call center fees, annual software license fee; or charges payable to the Franchisor for less than \$5,000 for services and merchandise, the Franchisee expressly authorizes the Franchisor to initiate debit entries from the Franchisee's bank account to the Franchisor's bank account for payment. To the extent the Franchisor pays rent, utilities, common area maintenance fees or other expenses relating to and on behalf of the Franchisee's operations of an Improvement Center at a National Account location in accordance with separate agreements and subleases, the Franchisee expressly authorizes the Franchisor to initiate debit entries from the Franchisee's bank account to the Franchisor's bank account to pay the Franchisor for such rent and expenses. The Franchisee shall execute an authorization agreement, a copy of which is attached hereto as Exhibit IV. In connection with any amounts due and owing by the Franchisee to third parties, the Franchisee expressly acknowledges that a default by the Franchisee with respect to such indebtedness may be considered a default hereunder and the Franchisor may avail itself of all remedies provided for herein in the event of default.

g. **Other Agreements.** The Franchisee shall comply with all agreements with third parties related to the GOLFTEC Improvement Center including all provisions of any premises lease, any product, supply or service contracts and other agreements.

h. **Employees.** The Franchisee and all employees of the Franchisee shall present a professional appearance, as may be described in the Operations Manual, and shall render competent and courteous service to customers of the GOLFTEC Improvement Center while working at the Franchised Location. All Center Managers, employees of the Franchisee, the Franchisee and its owners, shall wear the

specified apparel at all times while working at the Franchised Location. The Franchisor has the right, in its sole and absolute discretion, to change or modify such dress code guidelines, while complying with the brand guidelines..

i. **Remodeling and Upgrading.** The Franchisee agrees to renovate, refurbish or replace, at its own expense, the décor, personal property, equipment, Technology System and POS System used in the operation of the GOLFTEC Improvement Center, when reasonably required by the Franchisor in order to comply with the image, Licensed Methods, standards of operation and performance capability established by the Franchisor from time to time. If the Franchisor changes its image or standards of operation, it shall give the Franchisee a reasonable period of time within which to comply with such changes.

j. **Training of Employees.** The Franchisee shall be fully responsible for all Improvement Center employees' compliance with the operational standards which are part of the Licensed Methods and for compliance with all laws and regulations affecting Improvement Center operations. The Franchisee must conduct its employee training in the manner and according to the standards as prescribed in the Operations Manual. Any personal coach who does not satisfactorily complete GTU shall not work in any capacity in the Franchisee's GOLFTEC Improvement Center.

k. **Ownership of Improvement Center.** At all times during the term of this Agreement,, The Franchisee shall own and control the GOLFTEC Improvement Center authorized hereunder. Upon request of the Franchisor, the Franchisee shall promptly provide satisfactory proof of such ownership to the Franchisor. The Franchisee represents that the Statement of Ownership, attached hereto as Exhibit III and by this reference incorporated herein, is true, complete, accurate and not misleading, and, in accordance with the information contained in the Statement of Ownership, the controlling ownership of the GOLFTEC Improvement Center is held by the Franchisee. The Franchisee shall promptly provide the Franchisor with a written notification if the information contained in the Statement of Ownership changes at any time during the term of this Agreement and shall comply with the applicable transfer provisions contained in Article 16 herein. In addition, if the Franchisee is an entity, all of the owners (and their spouses, as may be required by the Franchisor) of the Franchisee shall sign the Personal Guaranty attached hereto as Exhibit II and such owners (and their spouses as may be required by the Franchisor) of the Franchisee as the Franchisor shall designate shall sign a Nondisclosure and Noncompetition Agreement.

l. **Hours of Operation.** The Franchisee shall at all times during the term of this Agreement keep its GOLFTEC Improvement Center open during the business hours as may be designated by the Franchisor from time to time in the Operations Manual, except as such designated business hours are superseded by office building or retail mall requirements and shall maintain sufficient inventory and employ adequate personnel at all times so as to operate the Improvement Center at its maximum capacity and efficiency.

m. **Call Center Fee.** In the event the Franchisor maintains a central call center for booking client golf lessons, the Franchisee shall participate in the call center and shall pay to the Franchisor \$210 monthly. The call center fee shall be sent to the Franchisor by electronic funds transfer or otherwise transmitted as the Franchisor may require.

n. **Client Information.** The Franchisee shall collect, maintain and provide online access to such client account and lesson information that the Franchisor may designate from time to time in the Operations Manual in order to facilitate the provision of GOLFTEC services to clients by all

GOLFTEC Improvement Centers and to facilitate any administrative functions which may be provided by the Franchisor.

o. **National Accounts.** The Franchisee shall comply with all agreements with National Accounts and operate any Improvement Center located at a National Account location in accordance with the Operations Manual and the standards, specifications and practices of the National Account which have been approved by the Franchisor.

p. **Sales and Performance Data.** The Franchisee shall share the GOLFTEC Improvement Center's sales and performance with other GOLFTEC franchisees who agree to do the same. Franchisee shall use the information for comparative purposes only, and shall not disclose, disseminate, publish or divulge the data to any person, firm, company, association or any entity whatsoever.

q. **Personal Conduct.** Franchisee will refrain from committing any act or pursuing any course of conduct that could bring the Proprietary Marks into disrepute, including disparagement and disrespect toward the brand, the franchise system, the Franchisor and its owners, officers, employees and agents. Franchisee will engage in conduct that meets the high standards of the system and GOLFTEC's Licensed Methods and that represents good business practices. This extends to conduct not only within the GOLFTEC Improvement Center, but also in the community, with other franchisees in the GOLFTEC system and competitors.

r. **Failure to Communicate.** The Franchisee fails, refuses, or neglects to communicate with or respond to the Franchisor's communications directed to the Franchisee by telephone, electronic mail or otherwise in writing, within five business days.

10.2 Golf Instruction.

Certified Personal Coaches shall provide all golf instruction conducted at, through or in connection with the Improvement Center, in accordance with the standards and specifications of the Franchisor, all of which are part of the Licensed Methods. No person shall provide golf improvement services on behalf of the Franchisee without first having completed GTU, as provided in Section 6.1 above, and without participating in all Certified Coach refresher courses which are determined by the Franchisor to be mandatory. As stated in Section 5.8 above, at least two Coaches are required to be employed and certified at GTU prior to commencement of operations. A minimum of at least two Coaches must be employed and scheduled to work in the Center at all times during the term of this Agreement. The Franchisee shall ensure that all commitments to clients to provide golf instruction shall be honored, even in circumstances where a GOLFTEC client has purchased lessons at another GOLFTEC Improvement Center. The Franchisor shall coordinate and account for debits and credits amongst GOLFTEC franchisees attributable to clients taking lessons at an Improvement Center which is different from the Improvement Center where the lesson was purchased and will adjust Royalties (defined in Section 11.1 below) accordingly on at least a quarterly basis. The amount of the debit or credit shall be at the then current published rates. The Franchisee shall honor the Franchisor's published Client refund policies, subject to the Franchisee's state law; provided, however, the Franchisor shall not require that refunds be paid to Clients except from the Improvement Center where lessons have been purchased.

10.3 Certified Personal Coach.

a. **Certified Personal Coach Transfers.** Recognizing the critical value of the Certified Personal Coach to a GOLFTEC Improvement Center and the time and training that each GOLFTEC Improvement Center invests in the Certified Personal Coach, the Franchisee covenants and agrees that in the event Franchisee intends to employ any Certified Personal Coach of another GOLFTEC

franchisee or any Certified Personal Coach of the Franchisor or its parent company GOLFTEC Enterprises, LLC, or any other of the Franchisor's affiliates, as a condition of such employment, Franchisee shall sign a Certified Personal Coach Transfer Agreement in a form provided by the Franchisor; and pay the Certified Personal Coach's current employer a fee of Ten Thousand Dollars (\$10,000.00), which amount conservatively estimates the costs associated with training a Certified Personal Coach, subject to change according to then-current rates and terms and our Operations Manual, to reimburse such current employer for the previous training costs of such Certified Personal Coach ("**Certified Personal Coach Transfer Fee**"). GOLFTEC reserves the right to increase this fee at its discretion, but such increase will not exceed 25% of the then-current Certified Personal Coach Transfer Fee. The Certified Personal Coach Transfer Fee is non-refundable once paid in all circumstances.

b. **Coach Recruiting.** The Franchisor, or one of its affiliated companies, works diligently to recruit qualified coaches potential employment. With the Franchisor's unique contacts and experience, and its special niche in the marketplace, representatives of the Franchisor frequently visit PGA accredited universities to promote the distinctive employment opportunities for franchisees, GTE and its affiliates. The Franchisee agrees that the Franchisee will not engage in recruitment activity at PGA accredited universities without the prior approval from the Franchisor. If the Franchisee employs a coach that is recruited by the Franchisor, the Franchisee shall pay to the Franchisor the recruitment fee stated hereinabove.

10.4 Privacy Laws. In the operation of the GOLFTEC Improvement Center, Franchisee will receive "Customer Data." "Customer Data" is information, records, lists or data that contains "Personal Information." "Personal Information" includes information that identifies, relates to, describes, is capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer, potential consumer, individual or household, as such term may be further defined or amended by applicable federal, state, and local statutes, regulations, ordinances, and requirements, including but not limited to, the California Consumer Privacy Act. Personal Information is collected, maintained or generated in the operation of the GOLFTEC Improvement Center, including through the use of a point-of-sale system.

Franchisee agrees, at its sole cost and expense, to at all times:

a. comply with data protection, collection, maintenance, and use requirements for Customer Data set out in the Operations Manual and this Franchise Agreement, including all policies, procedures and controls that Franchisor implements now or in the future;

b. comply with all applicable federal, state and local statutes, regulations, ordinances and requirements, including but not limited to, the California Consumer Privacy Act, relating to the data protection, collection, maintenance and use of Customer Data (collectively, "**Privacy Laws**");

c. assist and otherwise cooperate with Franchisor to ensure Franchisor's and Franchisee's compliance with applicable Privacy Laws;

d. promptly notify Franchisor in writing of any Security Incident (defined below) that Franchisee becomes aware of or discovers. Franchisee will assist and otherwise cooperate with Franchisor to investigate any such Security Incident and will take all required steps, as determined by Franchisor, to remedy Franchisee's noncompliance with applicable Privacy Laws, this Agreement or the Operations Manual. For purposes of this Section 10.4, "Security Incident" means any actual or suspected accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to Customer Data in violation of applicable Privacy Laws, this Agreement or the Operations Manual;

e. promptly provide Franchisor with the ability to delete, access or copy Customer Data in Franchisee's possession or control;

f. promptly notify Franchisor of any request regarding Customer Data received by the Franchisee from a “consumer” as defined by applicable Privacy Laws;

g. adopt policies, procedures, and controls, including those set out in the Operations Manual, if any, that enable Franchisee to respond, and to cause its agents and employees to respond, promptly to any rights request made pursuant to applicable Privacy Laws, including any disclosure request, deletion request, or opt-out request;

h. adopt policies, procedures, and controls, including those set out in the Operations Manual, if any, that limit access to Customer Data to only those employees that have a need-to-know basis based on specific job functions or roles. Franchisee will provide data privacy and security training to employees who have access to Customer Data or who operate or have access to system controls and will require employees to adhere to data confidentiality terms providing for the protection of Customer Data in accordance with this Agreement and the Operations Manual; and

i. maintain Customer Data in confidence in accordance with Section 10 of this Franchise Agreement.

11. ROYALTIES AND FEES

11.1 Royalty.

The Franchisee agrees to pay to the Franchisor a royalty two times per month equal to 5% of the total amount of its “Gross Revenues” and 2% of the total amount of its Merchandise Revenues (defined in Section 11.2 below), generated from or through its GOLFTEC Improvement Center (“**Royalty**”).

11.2 Gross Revenues and Merchandise Revenues.

“Gross Revenues” shall mean and include the aggregate amount of all sales of products and services of every kind or nature, whether approved or not approved by the Franchisor, sold from, at or in connection with the operation of the Improvement Center or arising out of the operation or conduct of business by the Improvement Center, including sales made at or away from the Improvement Center, whether for cash or credit and whether recognized or “unearned” (e.g., receipts for lessons not yet given), less returns for which refunds are made, provided that the refund shall not exceed the sales price and that the refund must be provided to clients in accordance with the Franchisor’s published refund policies, subject to state law, but excluding all: (i) federal, state or municipal sales or service taxes collected from customers and paid to the appropriate taxing authority; (ii) discounts; (iii) GOLFTEC Events income which are conducted outside of the Protected Territory or, if applicable, Development Area, or are held inside of the Protected Territory or, if applicable, Development Area, but are based on a contract with a GOLFTEC Events client that will generate revenues in excess of \$10,000 per event; (iv) merchandise revenues from the sale of merchandise designated in writing by the Franchisor; and (v) other exclusions as may be authorized in writing by the Franchisor. GOLFTEC Events income which is excluded from the calculation of the Franchisee’s Gross Revenues and Merchandise Revenues, as provided in this Section 11.2, shall be collected by the Franchisor or Franchisor’s designee and paid out in accordance with Section 11.6 below. “Merchandise Revenues” shall mean and include the aggregate amount of all sales of merchandise designated in writing by the Franchisor from time to time (revenues from merchandise not designated in writing by the Franchisor shall be included as part of Gross Revenues unless otherwise exempted), sold from, at or in connection with the operation of the Improvement Center or arising out of the operation or conduct of business by the Improvement Center, including merchandise sales made at or away from the Improvement Center and merchandise sales at GOLFTEC Events which are Exempt Events, whether for cash or credit, less returns for which refunds are made, provided that the refund shall not exceed the sales price and that the refund

must be provided to clients in accordance with the Franchisor's published refund policies, subject to state law, but excluding the items listed above in this Section 11.2 in subsections (i), (ii) and (iii) under the definition of "Gross Revenues".

11.3 Royalty Payments.

Royalty payments shall be made two times a month and shall be sent to the Franchisor by electronic funds transfer or otherwise transmitted as the Franchisor may require no later than the specific days of the month that the Franchisor shall designate from time to time ("**Due Date**"), based on 5% of Gross Revenues and 2% of Merchandise Revenues for the immediately preceding time period. The Franchisee shall execute an authorization agreement, a copy of which is attached hereto as Exhibit IV, for preauthorized payment of Royalty payments by electronic transfer of funds from the Franchisee's bank account to the Franchisor's bank account. On each Due Date, the Franchisee shall report by telephone, electronic means, in written form or otherwise transmitted, as reasonably directed by the Franchisor in a manner more fully described in Article 15 hereof, information regarding the Franchisee's Gross Revenues, Merchandise Revenues and such additional information as may be requested by the Franchisor. The Franchisor shall have the right to verify such Royalty payments from time to time as it deems necessary, in any reasonable manner.

11.4 Insufficient or Delinquent Payments.

In the event that the Franchisee fails to have sufficient funds in the account or otherwise fails to pay any Royalties or other amounts due under this Agreement when they are due, the Franchisee shall, in addition to such Royalties or other amounts, immediately owe interest after the due date at the highest applicable legal rate for open account business credit, not to exceed 1½% per month. The Franchisee acknowledges that this Section 11.4 shall not constitute the Franchisor's or its affiliates' agreement to accept such payments after they are due or a commitment to extend credit to or otherwise finance operation of the Improvement Center. The Franchisor reserves the right to automatically assess a \$50 late charge for any report and/or financial statement required under Article 15 below which is not timely filed by the Franchisee or which is not complete and accurate. Such late charge shall continue to accrue each week that said report(s) and financial statement(s) remain unfiled and shall be due and payable in full upon demand by the Franchisor and shall be paid by electronic funds transfer. In the event such late charge(s) is/are not paid upon demand, the Franchisor may elect to pursue its remedies as further stated in this Agreement. In no event shall the Franchisee be required to pay a late payment and/or interest at a rate greater than the maximum interest rate permitted by applicable law.

11.5 Application of Payments.

Notwithstanding any designation by the Franchisee, the Franchisor shall have sole discretion to apply any payments by the Franchisee, and any credits received by the Franchisor on the Franchisee's behalf from third party vendors to any of Franchisee's past due indebtedness to Franchisor for Royalties, NMAAF Contributions, purchases from the Franchisor or its affiliates, interest or any other indebtedness. The Franchisee acknowledges that the Franchisor has the right to set-off any amounts the Franchisee may owe to the Franchisor against any amounts the Franchisor might owe to the Franchisee.

11.6 GOLFTEC Events Proceeds

Proceeds from GOLFTEC Events which are held outside of the Protected Territory or, if applicable, Development Area, or are held inside of the Protected Territory or, if applicable, Development Area, but are based on a contract with a GOLFTEC Events client that will generate revenues in excess of \$10,000 per event, are collected by the Franchisor or Franchisor's designee and excluded from the definition of Gross Revenues and Merchandise Revenues, as stated above, for the purpose of determining the Franchisee's

Royalty and NMAAF Contribution obligations, and such proceeds, net of the direct costs of the Franchisor or Franchisor's designee to fulfill the GOLFTEC event, are split as follows: (1) 20% to the seller of the GOLFTEC Events account; (2) 20% to the Franchisor; and (3) 60% to the GOLFTEC franchisee whose Certified Personal Coaches fulfill the event. These splits are subject to change at the discretion of Franchisor or Franchisor's designee. The Franchisor or Franchisor's designee shall determine who qualifies as the "seller" of a particular GOLFTEC Event. If Certified Personal Coaches from more than one GOLFTEC franchisee, or a combination of the franchisees and the Franchisor's Certified Personal Coaches, fulfill the GOLFTEC Event, the portion allocable to fulfillment shall be apportioned based on the proportion of fulfillment by each Certified Personal Coach.

12. ADVERTISING

12.1 Approval of Advertising.

The Franchisee shall obtain the Franchisor's prior written approval of all written advertising or other marketing or promotional programs regarding the GOLFTEC Improvement Center, including, without limitation, "Yellow Pages" advertising, give-away promotions, newspaper ads, flyers, brochures, coupons, direct mail pieces, specialty and novelty items and radio and television advertising. The Franchisee shall also obtain the Franchisor's prior written approval before using any promotional materials provided by vendors. All proposed written advertising or a description of the marketing or promotional program shall be submitted to the Franchisor's internal advertising and marketing agency ("GA") at least 30 days prior to publication, broadcast or use. The Franchisee acknowledges that advertising and promoting the GOLFTEC Improvement Center in accordance with the Franchisor's standards and specifications is an essential aspect of the Licensed Methods, and the Franchisee agrees to comply with all advertising standards and specifications as described herein and in the Operations Manual. The Franchisor reserves the right to charge franchisee a fee for customized advertisement or other materials as stated in the Operations Manual.

12.2 National Marketing and Promotional Programs.

The Franchisee shall display all required promotional materials, signs, point of purchase displays and other marketing materials in its GOLFTEC Improvement Center and in the manner prescribed by the Franchisor. The Franchisee shall participate in all promotional programs established by the Franchisor from time to time for all GOLFTEC Improvement Centers and the Franchisor shall set the rules for and dates during which any such promotional program shall be implemented.

12.3 National Marketing, Advertising & Administration Fund ("NMAAF").

The Franchisee shall contribute to a marketing, advertising and administration fund established by the Franchisor ("NMAAF") a fee of up to 4% of the total amount of the Franchisee's Gross Revenues and .8% of Merchandise Revenues ("NMAAF Contribution") and an additional merchandise advertising contribution of 4% up to 8% of Merchandise Revenues in excess of Base Merchandise Revenues, if applicable, ("Additional Merchandise Advertising Contribution") as described below. The NMAAF Contribution shall be paid to the Franchisor in addition to Royalties and in addition to and not in lieu of the Local Advertising Allocation. The following terms and conditions shall apply to the NMAAF Contribution and Additional Merchandise Advertising Contribution payments:

The NMAAF Contribution shall be payable concurrently with and in the same manner as the payment of the Royalties. The Franchisee shall execute an authorization agreement, a copy of which is attached hereto as Exhibit IV, for preauthorized payment of the NMAAF Contribution payments by electronic transfer of funds.

The annual aggregate maximum NMAAF Contribution pursuant to this provision is set at \$32,500 per Improvement Center for fiscal year 2024. The annual aggregate maximum Advertising Contribution is subject to change with reasonable advance notice to Franchisee.

The NMAAF Contribution and the Additional Merchandise Advertising Contribution, if applicable, shall be paid to the Franchisor in addition to Royalties and in addition to and not in lieu of the Local Advertising Allocation.

The NMAAF Contributions and Additional Merchandise Advertising Contributions will be subject to the same late charges and interest as the Royalties, in an amount and manner stated in Section 11.4 above.

Upon the request of the Franchisee, the Franchisor will make available to the Franchisee, no later than 120 days after the end of each fiscal year, an unaudited financial statement which indicates how the NMAAF was spent during the previous year.

The Franchisor shall direct all advertising and marketing programs financed by the NMAAF, with sole discretion over the creative concepts, materials and endorsements used therein, geographic, market and media placement and allocation, and the administration thereof. The Franchisee agrees that the NMAAF may be used to pay GA's costs of preparing and producing video and audio and written advertising materials; sponsoring radio programs; administering multi-regional advertising programs, including, without limitation, purchasing direct mail, radio, search engine marketing and other media advertising and employing advertising agencies and GA's staff to assist therewith; funding a toll-free number and call center for clients to schedule lessons, development and maintenance of a website, and supporting public relations, market research and other advertising and marketing activities.

The NMAAF shall be accounted for separately from the Franchisor's other funds and shall not be used to defray any of the Franchisor's general operating expenses, except for GA's reasonable administrative costs, salaries and overhead as the Franchisor may incur in activities related to the administration of the NMAAF and its marketing programs, including, without limitation, conducting market research, preparing material, incurring related accounting and legal expenses, collecting and accounting for NMAAF contributions. The Franchisor may spend in any fiscal year an amount greater or less than the aggregate contribution of all GOLFTEC Improvement Centers to the NMAAF in that year and the NMAAF may borrow from the Franchisor or other lenders to cover deficits or cause the NMAAF to invest any surplus for future use. All interest earned on monies contributed to the NMAAF will be first used to pay costs. The NMAAF may be incorporated or operated through an entity separate from the Franchisor at such time as the Franchisor deems appropriate, and such successor entity shall have all rights and duties of the Franchisor pursuant to this Section 12.2.

The Franchisee understands and acknowledges that the NMAAF is intended to maximize recognition of the Marks and patronage of GOLFTEC Improvement Centers. Although the Franchisor will endeavor to utilize the NMAAF to develop advertising and marketing materials and programs and to place advertising that will benefit all GOLFTEC Improvement Centers, the Franchisor undertakes no obligation to ensure that expenditures by the NMAAF in or affecting any geographic area are proportionate or equivalent to the contributions by GOLFTEC Improvement Centers operating in that geographic area or that any GOLFTEC Improvement Center will benefit directly or in proportion to its contribution from the development of advertising and marketing materials or the placement of advertising. The Franchisor does not owe the Franchisee a fiduciary duty with respect to the maintenance, direction, or administration of the NMAAF. Except as expressly provided in this Section 12.3, the Franchisor assumes no direct or indirect liability or obligation to the Franchisee with respect to the maintenance, direction or administration of the NMAAF.

The Franchisor reserves the right to terminate the NMAAF, upon 30 days' written notice to the Franchisee. All unspent monies on the date of termination shall be distributed to the Franchisor's franchisees in proportion to their respective contributions to the NMAAF during the preceding 12-month period. The Franchisor shall have the right to reinstate the NMAAF upon the same terms and conditions stated herein upon 30 days' prior written notice to the Franchisee.

12.4 Local Advertising.

The Franchisee shall spend an average minimum of 5% of the total monthly Gross Revenues and Merchandise Revenues on local advertising to create public awareness of the Franchisee's GOLFTEC Improvement Center ("**Local Advertising Allocation**"). The Franchisee will submit to the Franchisor a quarterly accounting of the amounts spent on advertising within 30 days following the end of each of the Franchisee's fiscal quarter. If the Franchisee's lease requires it to advertise locally, the Franchisor may, in its sole discretion, count such expenditures toward the Franchisee's local advertising expenditure required by this Section 12.4. The Franchisee shall obtain the Franchisor's prior written approval of all written advertising and promotional materials before publication. In the event the Franchisee fails to submit written advertising and promotional materials before publication, or submits written advertising and promotional materials to the Franchisor for the Franchisor's approval and the Franchisor declines the submission but the Franchisee proceeds to use the advertising and promotional materials, such advertising and promotion may not be credited toward the Franchisee's Local Advertising Allocation, and the Franchisee may be considered to be in breach of this Agreement.

12.5 Regional Advertising Programs.

The Franchisor reserves the right, upon 30 days prior written notice to the Franchisee, to create a regional advertising association ("**Ad Group**") for the benefit of GOLFTEC franchisees located within a particular geographic area. If an Ad Group is established for the area where the Franchisee is located, the Franchisee will be required to participate in the Ad Group for the purpose of selecting and participating in regional marketing and promotion programs for GOLFTEC Improvement Centers. The Franchisor shall have the right to require, in its sole discretion, that the Franchisee allocate all or a portion of the local advertising expenditure required by Section 12.3 above to the Ad Group. The Franchisor shall also have the right to require, in its sole discretion, that all or a portion of the fees and costs associated with establishing the Ad Group be reimbursed to the Franchisor from funds contributed to the Ad Group. The Franchisee will be required to remain a member of and be bound by the decisions of the majority of the members of the Ad Group regarding expenditures, assessments and dues of the Ad Group, to the extent that they are approved by the Franchisor. Each Ad Group has the right, by majority vote, to require its members to pay additional monthly dues to the Ad Group. The failure of the Franchisee to participate in the Ad Group or pay any dues required by the Ad Group, may, at the option of the Franchisor, be deemed to be a breach of this Agreement. The Franchisor has the right, in its sole discretion, to determine the composition of all geographic territories and market areas for the implementation of any regional advertising and promotion campaigns and to require that the Franchisee participate in such regional advertising programs as and when they may be established by the Franchisor. If an Ad Group is implemented on behalf of a particular region by the Franchisor, the Franchisor, to the extent reasonably calculable, shall require that only contributions from GOLFTEC franchisees within such region be redirected to the Ad Group or for the particular regional advertising program. If an Ad Group is created by a majority of franchisees in a particular geographic territory, such Ad Group must be approved by the Franchisor prior to such Ad Group implementing any marketing or promotion program for GOLFTEC Improvement Centers. The terms and conditions of this Section 12.5 shall apply upon the Franchisor's approval of the Ad Group and applicable notice to the Franchisee of the existence of the Ad Group.

12.6 Electronic Advertising

The Franchisee shall not develop, create, distribute, disseminate, or use any Internet advertising or website, or any multimedia, telecommunication, mass electronic mail or audio/visual advertising, promotional or marketing materials (“**Electronic Advertising**”), without the Franchisor's prior written consent, which consent may be withheld in the Franchisor's sole discretion. The Franchisor shall retain the exclusive right to develop and control the content of all Electronic Advertising for the GOLFTEC Improvement Centers. The Franchisee acknowledges that the Franchisor shall own all Electronic Advertising related to or associated with the Marks and Licensed Methods. The Franchisor reserves the right, upon 30 days' prior written notice, to require the Franchisee, to create, customize or provide access to any websites, telecommunications, audio/visual advertising, promotional or marketing material as part of the Electronic Advertising. If the Franchisor permits or requires the Franchisee to develop any Electronic Advertising, the Franchisee shall do so in compliance with the Franchisor's policies and rules regarding the creation, maintenance, use and content of such Electronic Advertising as stated in this Agreement, the Operations Manual or Electronic Advertising code of conduct that the Franchisor may develop, disseminate and modify from time to time. Any amounts that the Franchisee spends to participate in Electronic Advertising shall be credited toward the Franchisee's local advertising obligations.

13. QUALITY CONTROL

13.1 Compliance with Operations Manual.

The Franchisee agrees to maintain and operate the GOLFTEC Improvement Center in compliance with this Agreement and the standards and specifications contained in the Operations Manual, as the same may be modified from time to time by the Franchisor. Failure by the Franchisee to substantially comply with the Operations Manual may be considered by the Franchisor to be a breach of this Agreement.

13.2 Standards and Specifications.

The Franchisor will make available to the Franchisee standards and specifications for services and merchandise offered at or through the GOLFTEC Improvement Center and for décor, displays, products, employee attire, materials, forms, items, supplies and services used in connection with the Improvement Center. The Franchisor reserves the right to change standards and specifications for services and merchandise offered at or through the GOLFTEC Improvement Center and for the décor, displays, equipment, furniture, fixtures, inventory policies, employee attire, materials, forms, items, supplies and services used in connection with the Improvement Center, upon 30 days prior written notice to the Franchisee. The Franchisee shall, throughout the term of this Agreement, remain in compliance and strictly adhere to all of the Franchisor's current standards and specifications for the GOLFTEC Improvement Center as prescribed from time to time.

13.3 Inspections.

The Franchisor shall have the right to examine the Improvement Center, including the client golf instruction sessions in progress, and the merchandise, equipment, materials, supplies and services used or sold at the Improvement Center to ensure compliance with all standards and specifications set by the Franchisor. The Franchisor shall conduct such inspections during regular business hours and the Franchisee may be present at such inspections. The Franchisor, however, reserves the right to conduct the inspections without prior notice to the Franchisee.

13.4 Restrictions on Services and Merchandise.

The Franchisee is prohibited from offering or selling any type of golf instruction techniques, other services or merchandise not authorized by Franchisor as being a part of the Licensed Methods. If the Franchisee proposes to offer, conduct or utilize any alternative golf instruction techniques, other services, merchandise, materials, forms, items, supplies or services for use in connection with or sale through the GOLFTEC Improvement Center which are not previously approved by the Franchisor as meeting its specifications, the Franchisee shall first notify the Franchisor in writing requesting approval. The Franchisor may, in its sole discretion, for any reason whatsoever, elect to withhold such approval; however, in order to make such determination, the Franchisor may require submission of specifications, information, or samples of such instructional methods, services, merchandise, materials, forms, items or supplies. The Franchisee shall pay the reasonable costs of investigation in determining whether such instructional methods, services, merchandise, materials, forms, items or supplies meet the Franchisor's specifications. The Franchisor will advise the Franchisee within a reasonable time whether such instructional methods, services, merchandise, materials, forms, items or supplies meet its specifications.

13.5 Approved Suppliers.

The Franchisee shall purchase all services, merchandise, supplies and materials required for the operation of the GOLFTEC Improvement Center from suppliers designated or reasonably approved by the Franchisor or, if there is no designated or approved supplier for a particular product, service, supply or material, from such other suppliers who meet all of the Franchisor's specifications and standards as to quality, appearance and service, and who shall adequately demonstrate their capacity and facilities to supply the Franchisee's needs in the quantities, at the times, and with the reliability requisite to an efficient operation of the GOLFTEC Improvement Center.

13.6 Request to Approve Supplier.

In the event the Franchisee desires to purchase or use merchandise, services, supplies or materials from suppliers other than those previously approved by the Franchisor, the Franchisee shall, prior to purchasing from or otherwise utilizing any supplier give the Franchisor a written request to approve the supplier. In the event the Franchisor rejects the Franchisee's requested new supplier, the Franchisor must, within 30 days of the receipt of the Franchisee's request to approve the supplier notify the Franchisee in writing of its rejection. The Franchisor may continue from time to time to inspect any suppliers' facilities and products to assure compliance with the Franchisor's standards and specifications. Permission for such inspection shall be a condition of the continued approval of such supplier. The Franchisor may at its sole discretion, for any reason whatsoever, elect to withhold approval of the supplier; however, in order to make such determination, the Franchisor may require that samples from a proposed new supplier be delivered to the Franchisor for testing prior to approval and use. A charge not to exceed the reasonable cost of investigation may be made by the Franchisor and shall be paid by the Franchisee.

13.7 Shopping Service.

The Franchisor reserves the right to use third party shopping services from time to time to evaluate the operation and quality of the Franchisee's GOLFTEC Improvement Center, including such things as quality of client instruction, client relations, merchandise availability, customer service, cleanliness, custom golf club knowledge and expertise, and proper use of computers and registers. The Franchisor may use such shopping services to inspect the Franchisee's GOLFTEC Improvement Center at any time at the Franchisor's expense, without prior notification to the Franchisee. The Franchisor may but need not make the results of any such service evaluation available to the Franchisee, in the Franchisor's sole discretion.

14. MARKS, TRADE NAMES AND PROPRIETARY INTERESTS

14.1 Marks.

The Franchisee acknowledges that the Franchisor or a company affiliated with or contractually obligated to the Franchisor has the right to license and control the Franchisee's use of the "GOLFTEC" service mark and other of the Marks, and that such Marks shall remain under the ownership and control of the Franchisor or a company affiliated with or contractually obligated to the Franchisor. The Franchisee acknowledges that it has not acquired any right, title or interest in such Marks except for the right to use such marks in the operation of its GOLFTEC Improvement Center as it is governed by this Agreement. The Franchisee agrees not to use any of the Marks as part of an electronic mail address, or on any sites on the Internet and the World Wide Web and the Franchisee agrees not to use or register any of the Marks as a domain name on the Internet.

14.2 No Use of Other Marks.

The Franchisee agrees that no service mark other than "GOLFTEC" or such other Marks as may be specified by the Franchisor shall be used in the identification, marketing, promotion or operation of the GOLFTEC Improvement Center.

14.3 Licensed Methods.

The Franchisee acknowledges that the Franchisor owns and controls the distinctive plan for the establishment, operation and promotion of the GOLFTEC Improvement Center and all related licensed methods of doing business, previously defined as the "Licensed Methods", which include, but are not limited to, standards and specifications for the services and merchandise offered at or through the GOLFTEC Improvement Center; instructional methods; technology systems and use equipment specifications and capabilities; client relations; marketing techniques; written promotional materials; advertising; patents, proprietary and licensed software and accounting systems, all of which constitute confidential trade secrets of the Franchisor, and the Franchisee acknowledges that the Franchisor has valuable rights in and to such trade secrets. The Franchisee acknowledges and agrees that it will promptly notify the Franchisor about any and all modifications or additions to the Licensed Methods or new instructional techniques and improvements in the Improvement Center developed by the Franchisee and that all such modifications or additions shall inure solely to the benefit of the Franchisor and may be adopted by the Franchisor and incorporated into the Licensed Methods without the Franchisor owing any compensation to the Franchisee. The 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 the GOLFTEC Improvement Center as it is governed by this Agreement and that it is obligated to maintain the confidentiality of the Licensed Methods in accordance with Section 20.3 below.

14.4 Mark Infringement.

The Franchisee agrees to notify the Franchisor in writing of any possible infringement or illegal use by others of a trademark the same as or confusingly similar to the Marks which may come to its attention. The Franchisee acknowledges that the Franchisor shall have the right to determine whether any action will be taken on account of any possible infringement or illegal use. The Franchisor may commence or prosecute such action in the Franchisor's own name and may join the Franchisee as a party to the action if the Franchisor determines it to be reasonably necessary for the continued protection and quality control of the Marks and Licensed Methods. The Franchisor shall bear the reasonable cost of any such action, including attorneys' fees. The Franchisee agrees to fully cooperate with the Franchisor in any such litigation.

14.5 Franchisee's Business Name.

The Franchisee acknowledges that the Franchisor has a prior and superior claim to the "GOLFTEC" trade name. The Franchisee shall not use the word "GOLFTEC" in the legal name of its corporation, partnership or any other business entity used in conducting the business provided for in this Agreement. The Franchisee also agrees not to register or attempt to register a trade name using the word "GOLFTEC" in the Franchisee's name or that of any other person or business entity, without prior written consent of the Franchisor. The Franchisee shall not identify itself as being "GOLFTEC FRANCHISING LLC," "GOLFTEC" or as being associated with the Franchisor in any manner other than as a franchisee or licensee. The Franchisee further agrees that in all advertising and promotion and promotional materials it will display its business name only in obvious conjunction with the phrase "GOLFTEC Franchisee" or with such other words and in such other phrases to identify itself as an independent owner of the GOLFTEC Improvement Center, as may from time to time be prescribed in the Operations Manual. The Franchisee shall identify itself on its corporate bank account by its entity name and "d/b/a GOLFTEC" to facilitate payments to Franchisor by electronic transfer as described in Section 11.3 of this Agreement, and to present consistent brand imaging to the Improvement Center's clients.

14.6 Change of Marks.

In the event that the Franchisor, in its sole discretion, shall determine it necessary to modify or discontinue use of any Marks, or to develop additional or substitute marks, the Franchisee shall, within a reasonable time after receipt of written notice of such a modification or discontinuation from the Franchisor, take such action, at the Franchisee's sole expense, as may be necessary to comply with such modification, discontinuation, addition or substitution.

14.7 Creative Ownership.

All copyrightable works created by the Franchisee or any of its owners, officers or employees in connection with the Improvement Center shall be the sole property of the Franchisor. The Franchisee assigns all proprietary rights, including copyrights, in these works to the Franchisor without additional consideration. The Franchisee hereby assigns and will execute such additional assignments or documentation to effectuate the assignment of all intellectual property, inventions, copyrights and trade secrets developed in part or in whole in relation to the Improvement Center, during the term of this Agreement, as the Franchisor may deem necessary in order to enable it, at its expense, to apply for, prosecute and obtain copyrights, patents or other proprietary rights in the United States and in foreign countries or in order to transfer to the Franchisor all right, title, and interest in said property. The Franchisee shall promptly disclose to the Franchisor all inventions, discoveries, improvements, creations, patents, copyrights, trademarks and confidential information relating to the Improvement Center which it or any of its owners, officers or employees has made or may make solely, jointly or commonly with others and shall promptly create a written record of the same. In addition to the foregoing, the Franchisee acknowledges and agrees that any improvements or modifications, whether or not copyrightable, directly or indirectly related to the Improvement Center, shall be deemed to be a part of the Licensed Methods and shall inure to the benefit of the Franchisor.

14.8 Alterations for Protection of Marks

The Franchisor may, in its sole discretion but with reasonable notice to the Franchisee, enter into the Franchised Location to make, at the Franchisee's expense, any alterations required for the protection of the Marks and Licensed Methods.

15. REPORTS, RECORDS AND FINANCIAL STATEMENTS

15.1 Franchisee Reports.

The Franchisee shall establish and maintain, at its own expense, bookkeeping, accounting and data processing systems which conform to the specifications which the Franchisor may prescribe from time to time. Each transaction of the Improvement Center shall be processed in the manner prescribed by the Franchisor. The Franchisor shall have the right of access to all data with respect to the Improvement Center. The Franchisor reserves the right to require that the Franchisee provide access to the data to the Franchisor by installing a modem or joining and paying for an electronic network connection service which meets the Franchisor's standards and specifications. The Franchisee shall supply to the Franchisor such types of reports in a manner and form as the Franchisor may from time to time reasonably require, including:

Weekly service reports, including a report of Gross Revenues and Merchandise Revenues, in a form as may be prescribed by the Franchisor and sent by facsimile, electronic transmission or as otherwise designated by the Franchisor containing information about the immediately preceding week by each Thursday or other day designated by the Franchisor together with the Royalty payment and other payments due to the Franchisor on a weekly basis;

Monthly summary reports in a form as may be prescribed by the Franchisor, either mailed to the Franchisor postmarked no later than the 10th day of each month or electronically transmitted no later than the 10th day of each month and containing information relative to the previous month's Gross Revenues and Merchandise Revenues, operations and advertising and marketing information;

Quarterly summary of information on clients and client instruction sessions, in a form and with such detail as may be prescribed by the Franchisor from time to time;

Financial statements, prepared in accordance with Generally Accepted Accounting Principles ("GAAP"), and consisting of a quarterly profit and loss statement, balance sheet and cash flow statement for the GOLFTEC Improvement Center, mailed to the Franchisor postmarked no later than the 10th day of the month or electronically transmitted no later than the 10th day of each month after the end of each of the Franchisee's fiscal quarters, based on operating results of the quarter, which will be submitted in a form approved by the Franchisor and will be certified by the Franchisee to be correct;

The Franchisee will, within 120 days after the end of its fiscal year, provide to the Franchisor annual unaudited financial statements, compiled or reviewed by an independent certified public accountant in good standing and prepared in accordance with GAAP, and state and federal income tax returns. If these financial statements or tax returns show an underpayment of any amounts owed to the Franchisor, these amounts will be paid to the Franchisor concurrently with the submission of the statements or returns; and

The Franchisee shall also provide copies of all other reports, financial statements and records reasonably requested by the Franchisor.

As provided in Section 11.4 of this Agreement, the Franchisor reserves the right to assess a \$50 late charge for any report and/or financial statements required under this Article 15 which is not complete, accurate or timely furnished to the Franchisor. Such late charge shall continue to accrue each week that said report(s) or financial statement(s) remain unfiled and shall be due and payable in full upon demand by the Franchisor and shall be paid by electronic funds transfer. The Franchisor reserves the right to disclose data derived from such reports or otherwise, without identifying the Franchisee, except to the extent identification of the Franchisee is required by law. The Franchisee consents to the Franchisor obtaining

financial and account information regarding the Improvement Center and its operations from third parties with whom the Franchisee does business, as and when deemed necessary by the Franchisor.

15.2 Verification.

Each report and financial statement to be submitted to the Franchisor pursuant to this Agreement shall be signed and verified by the Franchisee to be accurate and complete.

15.3 Books and Records.

The Franchisee shall maintain all books and records for its GOLFTEC Improvement Center in accordance with GAAP, consistently applied, and in a manner as reasonably prescribed by the Franchisor and shall preserve these records for at least five years after the fiscal year to which they relate.

15.4 Audit of Books and Records.

The Franchisee shall permit the Franchisor to inspect and audit the books and records of the GOLFTEC Improvement Center at any reasonable time, at the Franchisor's expense. If any audit discloses a deficiency in amounts for payments owed to the Franchisor pursuant to this Agreement, then such amounts shall become immediately payable to the Franchisor by the Franchisee, with interest from the date such payments were due at the lesser of 1½% per month or the maximum rate allowed by law. In the event such inspection or audit is made necessary by the Franchisee's failure to furnish required reports, supporting records or other information, or to furnish such information on a timely basis for two or more consecutive reporting periods, or if the Franchisee has received advance notice from the Franchisor and fails to have the books and records available for such audit or otherwise fails to cooperate therewith or if an understatement of Gross Revenues and Merchandise Revenues for the period of any audit is determined by any such audit or inspection to be greater than 5%, the Franchisee shall reimburse the Franchisor for the cost of such audit or inspection, including, without limitation, the charges of attorneys and any independent accountants and the travel expenses, room and board and compensation of the Franchisor's employees.

16. TRANSFER

16.1 Transfer by Franchisee.

The franchise granted herein is personal to the Franchisee and, except as stated below, the Franchisee shall not allow or permit any transfer, assignment, sub-franchise or conveyance of this Agreement or any interest hereunder. As used in this Agreement, the term "transfer" shall mean and include the voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition by the Franchisee (or any of its owners) of any interest in: (1) this Agreement; (2) the ownership of the Franchisee; or (3) the Improvement Center or any assets of the Improvement Center. An assignment, sale, gift or other disposition shall include a transfer resulting from a divorce, insolvency, corporate or partnership dissolution proceeding or otherwise by operation of law or, in the event of the death of the Franchisee, or an owner of the Franchisee by will, declaration of or transfer in trust or under the laws of intestate succession.

16.2 Pre-Conditions to Franchisee's Transfer.

The Franchisee shall not transfer its rights under this Agreement or any interest in it, or any part or portion of any business entity that owns it or all or a substantial portion of the assets of the GOLFTEC Improvement Center, unless the Franchisee obtains the Franchisor's written consent and complies with the following requirements:

Payment of all amounts due and owing pursuant to this Agreement by the Franchisee to the Franchisor or its affiliates or to third parties holding a security interest in any asset of the franchised business;

Agreement by the proposed transferee to satisfactorily complete FTU (Franchise Training University) described in this Agreement and to employ Certified Personal Coaches who have completed GTU (GOLFTEC University);

Execution of a Franchise Agreement in a form then currently offered by the Franchisor, which shall supersede this Agreement in all respects. If a new Franchise Agreement is signed, the terms thereof may differ from the terms of this Agreement; provided, however, the transferee will not be required to pay any additional initial franchise fee;

Provision by the Franchisee of written notice to the Franchisor 30 days prior to the proposed effective date of the transfer, such notice to contain information reasonably detailed to enable the Franchisor to evaluate the terms and conditions of the proposed transfer;

The proposed transferee shall have provided information to the Franchisor sufficient for the Franchisor to assess the proposed transferee's business experience, aptitude and financial qualification, and the Franchisor shall have ascertained that the proposed transferee meets such qualifications;

Execution by Franchisee of a general release, in a form satisfactory to the Franchisor, of any and all claims against the Franchisor, its affiliates and their respective officers, directors, employees and agents;

Payment by the Franchisee or the proposed transferee of \$10,000 and, if applicable, \$5,000 for the transfer of every undeveloped franchise right under a Development Agreement entered into between the Franchisor and the Franchisee; and

Agreement by the Franchisee to abide by the post-termination covenant not to compete stated in Section 20.2 below.

16.3 Franchisor's Approval of Transfer.

The Franchisor has 30 days from the date of the written notice of the proposed transfer to approve or disapprove in writing, of the Franchisee's proposed transfer. The Franchisee acknowledges that the proposed transferee shall be evaluated for approval by the Franchisor based on the same criteria as is currently being used to assess new franchisees of the Franchisor and that such proposed transferee shall be provided, if appropriate, with such disclosures as may be required by state or federal law. The Franchisor shall have the right to approve the material terms and conditions of the transfer, including, without limitation, the right to confirm that the price and terms of payment are not so burdensome as to affect adversely the transferee's operation of the Improvement Center. If the Franchisee (and/or the transferring owners) finance any part of the sale price of the transferred interest, if any, unless waived in writing by the Franchisor, the Franchisee and/or its owners must agree that all obligations of the transferee under or pursuant to any promissory notes, agreements or security interests reserved by the Franchisee or its owners in the assets of the Improvement Center or the Franchised Location shall be subordinate to the transferee's obligations to pay Royalty fees, NMAAF Contributions and other amounts due to the Franchisor and its affiliates and to otherwise comply with this Agreement. If the Franchisee and the proposed transferee comply with all conditions for transfer stated herein and the Franchisor has not given the Franchisee notice of its approval or disapproval within the 30 day period, approval is deemed granted.

16.4 Right of First Refusal.

In the event the Franchisee wishes to engage in a transfer, the Franchisee agrees to grant to the Franchisor a 30-day right of first refusal to purchase such rights, interest or assets on the same terms and conditions as are contained in the written offer to purchase submitted to the Franchisee by the proposed purchaser; provided, however, the following additional terms and conditions shall apply:

The Franchisee shall notify the Franchisor of such offer or letter of intent by sending a written notice to the Franchisor (which notice may be the same notice as required by Section 16.2(d) above), enclosing a copy of the written offer from the proposed transferee;

The 30-day right of first refusal period will commence concurrently with the period in which the Franchisor has to approve or disapprove the proposed transferee;

Such right of first refusal is effective for each proposed transfer and any material change in the terms or conditions of the proposed transfer shall be deemed a separate offer on which a new 30-day right of first refusal shall be given to the Franchisor;

If the consideration or manner of payment offered by a third party is such that the Franchisor may not reasonably be required to furnish the same, then the Franchisor may purchase the interest which is proposed to be sold for the reasonable cash equivalent. If the parties cannot agree within a reasonable time on the cash consideration, each of the Franchisor and the Franchisee shall designate an independent appraiser who, in turn, shall designate a third independent appraiser. The third appraiser's determination will be binding upon the parties. All expenses of the third appraiser shall be paid for equally between the Franchisor and the Franchisee; and

If the Franchisor chooses not to exercise its right of first refusal, the Franchisee shall be free to complete the transfer, subject to compliance with Sections 16.2 and 16.3 above. Absence of a reply to the Franchisee's notice of a proposed transfer within the 30-day period is deemed a waiver of such right of first refusal.

16.5 Specific Types of Transfers.

The Franchisee acknowledges that the Franchisor's right to approve or disapprove of a proposed transfer, and all other requirements and rights related to such proposed transfer, as provided for above, shall apply (1) if the Franchisee is a partnership or other business association, to the addition or deletion of a partner or members of the association or the transfer of any partnership or membership interest among existing partners or members; (2) if the Franchisee is a corporation or limited liability company, to any proposed transfer of 25% or more of the ownership interest of the Franchisee, whether such transfer occurs in a single transaction or several transactions; and (3) if the Franchisee is an individual, to the transfer from such individual or individuals to a corporation or limited liability company owned by them, in which case the Franchisor's approval will be conditioned upon: (i) the continuing personal guarantee of the individual (or individuals) for the performance of obligations under this Agreement; (ii) the issuance and/or transfer of ownership interests which would affect a change in ownership of 25% or more of the ownership interest in the company being conditioned on the Franchisor's prior written approval; (iii) a limitation on the company's business activity to that of operating the GOLFTEC Improvement Center and related activities; and (iv) other reasonable conditions. With respect to a proposed transfer as described in subsection (3) of this Section, the Franchisor's right of first refusal to purchase, as stated above, shall not apply and the Franchisor will waive any transfer fee chargeable to the Franchisee for a transfer under these circumstances.

16.6 Assignment by the Franchisor.

This Agreement is fully assignable by the Franchisor and shall inure to the benefit of any assignee or other legal successor in interest, and the Franchisor shall in such event be fully released from the same.

16.7 Franchisee's Death or Disability.

Upon the death or permanent disability of the Franchisee (or the individual controlling the Franchisee entity), the executor, administrator, conservator, guardian or other personal representative of such person shall transfer the Franchisee's interest in this Agreement or such interest in the Franchisee entity to an approved third party. Such disposition of this Agreement or such interest (including, without limitation, transfer by bequest or inheritance) shall be completed within a reasonable time, not to exceed 120 days from the date of death or permanent disability and shall be subject to all terms and conditions applicable to transfers contained in this Article 16. Provided, however, that for purposes of this Section 16.7, there shall be no transfer fee charged by the Franchisor. Failure to transfer the interest in this Agreement or such interest in the Franchisee entity within said period of time shall constitute a breach of this Agreement. For the purposes hereof, the term "permanent disability" shall mean a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent the Franchisee or the owner of a controlling interest in the Franchisee entity from supervising the management and operation of the GOLFTEC Improvement Center for a period of 120 days from the onset of such disability, impairment or condition.

17. TERM AND EXPIRATION

17.1 Term.

The term of this Agreement is for a period of 10 years from the date of this Agreement, unless sooner terminated as provided herein.

17.2 Continuation.

If, for any reason, the Franchisee continues to operate the Improvement Center beyond the term of this Agreement or any subsequent renewal period, it shall be deemed to be on a month-to-month basis under the terms of this Agreement and subject to termination upon 30 days' notice or as required by law. If said holdover period exceeds 90 days, this Agreement is subject to immediate termination unless applicable law requires a longer period. Upon termination after any holdover period, the Franchisee and those in active concert with the Franchisee, including family members, officers, directors, partners and managing agents, are subject to the terms of Articles 18 and 20 and Section 19.3 of this Agreement and all other applicable post-termination obligations contained in this Agreement.

17.3 Rights Upon Expiration.

At the end of the initial term hereof, the Franchisee shall have the option to renew its franchise rights for an additional term, by acquiring successor franchise rights, if the Franchisor does not exercise its right not to offer a successor franchise in accordance with Section 17.5 below and if the Franchisee:

- a. At least 30 days prior to expiration of the term, executes the form of Franchise Agreement then in use by the Franchisor;
- b. Has been in "substantial compliance" with all provisions of this Agreement during the current term of the Agreement, including the payment on a timely basis of all Royalties and other fees

due hereunder and is then in compliance with the Agreement at the time of renewal. “Substantial compliance” during the term shall mean, at a minimum, that the Franchisee has not received any written notification from the Franchisor of breach hereunder more than three times during the term hereof;

c. Upgrades and/or remodels the GOLFTEC Improvement Center and its operations at the Franchisee’s sole expense (the necessity of which shall be in the sole discretion of the Franchisor) to conform with the then current Operations Manual;

d. Executes a general release, in a form satisfactory to the Franchisor, of any and all claims against the Franchisor and its affiliates, and their respective officers, directors, employees and agents arising out of or relating to this Agreement; and

e. Pays a successor franchise fee of \$15,000.

17.4 Exercise of Option for Successor Franchise.

The Franchisee may exercise its option for a successor franchise by giving written notice of such exercise to the Franchisor not later than 180 days prior to the scheduled expiration of this Agreement. The Franchisee’s successor franchise rights shall become effective upon signing the Franchise Agreement then currently being offered to new franchisees of the Franchisor.

17.5 Conditions of Refusal.

The Franchisor shall not be obligated to offer the Franchisee a successor franchise upon the expiration of this Agreement if the Franchisee fails to comply with any of the above conditions of renewal. The Franchisor shall give the Franchisee notice of expiration at least 180 days prior to the expiration of the term, if failure of the conditions precedent to renewal are known to the Franchisor as of that time, and such notice shall state the reasons for such refusal to offer successor franchise rights. Upon the expiration of this Agreement, the Franchisee shall comply with the provisions of Section 18.4 below.

18. DEFAULT AND TERMINATION

18.1 Termination by Franchisor – Effective Upon Notice.

The Franchisor shall have the right, at its option, to terminate this Agreement and all rights granted to the Franchisee hereunder, without affording the Franchisee any opportunity to cure any default (subject to any state laws to the contrary, where state law shall prevail), effective upon receipt of notice by the Franchisee, addressed as provided in Section 23.11, upon the occurrence of any of the following events:

a. **Abandonment.** If the Franchisee ceases to operate the GOLFTEC Improvement Center or otherwise abandons the GOLFTEC Improvement Center for a period of five consecutive days, or any shorter period that indicates an intent by the Franchisee to discontinue operation of the GOLFTEC Improvement Center, unless and only to the extent that full operation of the GOLFTEC Improvement Center is suspended or terminated due to fire, flood, earthquake or other similar causes beyond the Franchisee’s control and not related to the availability of funds to the Franchisee;

b. **Insolvency; Assignments.** If the Franchisee becomes insolvent or is adjudicated a bankrupt; or any action is taken by the Franchisee, or by others against the Franchisee under any insolvency, bankruptcy or reorganization act, (this provision may not be enforceable under federal bankruptcy law, 11 U.S.C. §§ 101 et seq.), or if the Franchisee makes an assignment for the benefit of creditors, or a receiver is appointed by the Franchisee;

c. **Unsatisfied Judgments; Levy; Foreclosure.** If any material judgment (or several judgments which in the aggregate are material) is obtained against the Franchisee and remains unsatisfied or of record for 30 days or longer (unless an appeal bond has been filed); or if execution is levied against the Franchisee's business or any of the property used in the operation of the GOLFTEC Improvement Center and is not discharged within five days; or if the real or personal property of the Franchisee's business shall be sold after levy thereupon by any sheriff, marshal or constable;

d. **Criminal Conviction.** If the Franchisee is convicted of a felony, a crime involving moral turpitude, or any crime or offense that is reasonably likely, in the sole opinion of the Franchisor, to materially and unfavorably affect the Licensed Methods, Marks, goodwill or reputation thereof;

e. **Failure to Make Payments.** If the Franchisee fails to pay any amounts due the Franchisor or affiliates, including any amounts which may be due as a result of any subleases or lease assignments between the Franchisee and the Franchisor, within 10 days after receiving notice that such fees or amounts are overdue;

f. **Misuse of Marks.** If the Franchisee misuses or fails to follow the Franchisor's directions and guidelines concerning use of the Franchisor's Marks and fails to correct the misuse or failure within 10 days after notification from the Franchisor;

g. **Unauthorized Disclosure.** If the Franchisee intentionally or negligently discloses to any unauthorized person the contents of or any part of the Franchisor's Operations Manual or any other trade secrets or confidential information of the Franchisor;

h. **Failure to Communicate.** The Franchisee fails, refuses, or neglects to communicate with or respond to the Franchisor's communications directed to the Franchisee by telephone, electronic mail or otherwise in writing, within five business days.

i. **Repeated Noncompliance.** If the Franchisee has received two previous notices of default from the Franchisor and is again in default of this Agreement within a 12-month period, regardless of whether the previous defaults were cured by the Franchisee; or

j. **Unauthorized Transfer.** If the Franchisee transfers the franchise, an interest in the Franchise or the Franchisee entity, this Agreement, the GOLFTEC Improvement Center or a substantial portion of the assets of the GOLFTEC Improvement Center owned by the Franchisee without complying with the provisions of Article 16 above.

18.2 Termination by Franchisor – Thirty Days' Notice.

The Franchisor shall have the right to terminate this Agreement (subject to any state laws to the contrary, where state law shall prevail), effective upon 30 days' written notice to the Franchisee, if the Franchisee breaches any other provision of this Agreement and fails to cure the default during such 30-day period. In that event, this Agreement will terminate without further notice to the Franchisee, effective upon expiration of the 30-day period. Defaults shall include, but not be limited to, the following:

a. **Failure to Maintain Standards.** The Franchisee fails to maintain the then current operating procedures and adhere to the specifications and standards established by the Franchisor as stated herein or in the Operations Manual or otherwise communicated to the Franchisee;

b. **Deceptive Practices.** The Franchisee engages in any unauthorized business or practice or sells any unauthorized products or services under the Franchisor's Marks or under a name or mark which is confusingly similar to the Franchisor's Marks;

c. **Failure to Obtain Consent.** The Franchisee fails, refuses or neglects to obtain the Franchisor's prior written approval or consent as required by this Agreement;

d. **Failure to Comply with Manual.** The Franchisee fails or refuses to comply with the then-current requirements of the Operations Manual; or

e. **Breach of Related Agreement.** The Franchisee defaults under any term of the lease for the Franchised Location, any sublease for the Franchised Location, any agreement with a National Account or related to the operation of an Improvement Center at a National Account Location, including any License Agreement, any Build-Out Addendum, any other agreement material to the GOLFTEC Improvement Center or any other Franchise Agreement or other agreement of any kind between the Franchisor or its affiliates and the Franchisee and such default is not cured within the time specified in such lease, sublease, Build-Out Addendum, License Agreement or other agreement.

Notwithstanding the foregoing, if the breach is curable, but is of a nature which cannot be reasonably cured within such 30-day period and the Franchisee has commenced and is continuing to make good faith efforts to cure the breach during such 30-day period, the Franchisee shall be given an additional reasonable period of time to cure the same, and this Agreement shall not automatically terminate without written notice from the Franchisor.

18.3 Default Fee.

Franchisee acknowledges that, if there is a breach this Agreement, the Franchisor may suffer damage including, without limitation, damage for administrative time and related expenditures to address the default and damage to the franchise system and the goodwill associated with the Marks. Therefore, in addition to any other remedies or damages, within 30 days of any act in violation of this Agreement, the Franchisor may elect to impose a noncompliant fee ("Default Fee") which will be a reasonable amount based upon the specific default starting from \$500, with the possibility of escalating to up to \$2000 per month if the default remains uncured. Such Default Fee shall continue to accrue until the Franchisee cures the stated default. By imposing the Default Fee, the Franchisor does not waive its right to terminate this Agreement.

18.4 Right to Purchase.

Upon termination or expiration of this Agreement for any reason, the Franchisor shall have the option to purchase the GOLFTEC Improvement Center or a portion of the assets of the Improvement Center, which may include, at the Franchisor's option, all of the Franchisee's interest, if any, in and to the real estate upon which the GOLFTEC Improvement Center is located, and all buildings and other improvements thereon, including leasehold interests, at fair market value, less any amount apportioned to the goodwill of the GOLFTEC Improvement Center which is attributable to the Franchisor's Marks and Licensed Methods, and less any amounts owed to the Franchisor by the Franchisee. The following additional terms shall apply to the Franchisor's exercise of this option:

a. The Franchisor's option hereunder shall be exercisable by providing the Franchisee with written notice of its intention to exercise the option given to the Franchisee no later than the effective date of termination, in the case of termination, or at least 90 days prior to the expiration of the term of the franchise, in the case of non-renewal.

b. The Franchisor shall set the closing for the purchase of the GOLFTEC Improvement Center to take place no later than 60 days after the termination or nonrenewal date. The Franchisor will pay the purchase price in full at the closing, or, at its option, in 12 equal consecutive monthly installments with interest at a rate of 8% per annum. The Franchisee must sign all documents of assignment and transfer as are reasonably necessary for purchase of the GOLFTEC Improvement Center or its assets by the Franchisor.

c. During the time after the Franchisor notifies the Franchisee of the exercise of the option but before the closing, the Franchisor has the right to obtain an independent appraisal of the fair market value of the assets being purchased and, if the Franchisor chooses to obtain an appraisal, each of the Franchisor and the Franchisee shall designate an independent appraiser who, in turn, shall designate a third independent appraiser. The third appraiser's determination will be binding on both parties. All expenses of the third appraiser shall be paid for by the Franchisor.

d. In the event that the Franchisor does not exercise the Franchisor's right to purchase the Franchisee's GOLFTEC Improvement Center as stated above, the Franchisee will be free to keep or to sell, after such termination or expiration, to any third party, all of the physical assets of its GOLFTEC Improvement Center; provided, however, that all appearances of the Marks are first removed in a manner approved in writing by the Franchisor.

18.5 Obligations of Franchisee Upon Termination or Expiration.

The Franchisee is obligated upon termination or expiration of this Agreement to immediately:

a. Pay to the Franchisor all Royalties, NMAAF Contributions, other fees, and any and all amounts or accounts payable then owed the Franchisor or its affiliates pursuant to this Agreement, or pursuant to any other agreement, whether written or oral, including leases, between the parties;

b. Cease to identify itself as a GOLFTEC franchisee or publicly identify itself as a former franchisee or use any of the Franchisor's trade secrets, signs, symbols, devices, trade names, trademarks, or other materials;

c. Immediately cease to identify the Franchised Location as being, or having been, associated with the Franchisor and, if deemed necessary by the Franchisor, paint or otherwise change the interior and exterior of the Improvement Center to distinguish it from a GOLFTEC Improvement Center and immediately cease using any mark of the Franchisor or its affiliates or any mark in any way associated with the GOLFTEC Marks and Licensed Methods;

d. Deliver to the Franchisor all copies of the Franchisor's licensed software and, at the Franchisor's option and direction, all hardware components of the Technology System that are licensed to the Franchisor;

e. Deliver to the Franchisor all signs, sign-faces, advertising materials, forms and other materials bearing any of the Marks or otherwise identified with the Franchisor and obtained by and in connection with this Agreement;

f. Immediately deliver to the Franchisor the Operations Manual and all other information, documents and copies thereof which are proprietary to the Franchisor;

g. Submit to the Franchisor all copies of the Improvement Center client list and all related client and client instruction information as may be requested by the Franchisor;

h. Promptly take such action as may be required to cancel all fictitious or assumed names or equivalent registrations relating to its use of any Marks which are under the exclusive control of the Franchisor or, at the option of the Franchisor, assign the same to the Franchisor;

i. Notify the telephone company and all telephone directory publishers of the termination or expiration of the Franchisee's right to use any telephone number and any regular, classified or other telephone directory listings associated with any Mark and to authorize transfer thereof to the Franchisor or its designee. The Franchisee acknowledges that, as between the Franchisee and the Franchisor, the Franchisor has the sole rights to and interest in all telephone, telecopy or facsimile machine numbers and directory listings associated with any Mark. The Franchisee authorizes the Franchisor, and hereby appoints the Franchisor and any of its officers as the Franchisee's attorney-in-fact, to direct the telephone company and all telephone directory publishers to transfer any telephone, telecopy or facsimile machine numbers and directory listings relating to the GOLFTEC Improvement Center to the Franchisor or its designee, should the Franchisee fail or refuse to do so, and the telephone company and all telephone directory publishers may accept such direction or this Agreement as conclusive evidence of the Franchisor's exclusive rights in such telephone numbers and directory listings and the Franchisor's authority to direct their transfer;

j. If applicable, take such action as may be required to remove from the Internet all sites referring to the Franchisee's former Improvement Center or any of the Marks and to cancel or assign to the Franchisor, in the Franchisor's sole discretion, all rights to any domain names for any sites on the Internet that refer to the Franchisee's former GOLFTEC Improvement Center or any of the Marks;

k. Abide by all restrictive covenants stated in Article 20 of this Agreement; and

l. Execute a general release, in a form satisfactory to the Franchisor, of any and all claims against the Franchisor, its affiliates and their respective officers, directors, employees and agents.

18.6 Acknowledgement.

In the event this Agreement is terminated by the Franchisor prior to its expiration as stated in Sections 18.1 and 18.2 above, the Franchisee acknowledges and agrees that, in addition to all other available remedies, the Franchisor shall have the right to recover lost future Royalties during any period in which the Franchisee fails to pay such Royalties through and including the remainder of the then current term of this Agreement.

18.7 State and Federal Law.

THE PARTIES ACKNOWLEDGE THAT IN THE EVENT THAT THE TERMS OF THIS AGREEMENT REGARDING TERMINATION OR EXPIRATION ARE INCONSISTENT WITH APPLICABLE STATE OR FEDERAL LAW, SUCH LAW SHALL GOVERN THE FRANCHISEE'S RIGHTS REGARDING TERMINATION OR EXPIRATION OF THIS AGREEMENT.

19. BUSINESS RELATIONSHIP

19.1 Independent Businesspersons.

The parties agree that they each are independent businesspersons, their only relationship is by virtue of this Agreement and that no fiduciary relationship is created hereunder. Neither party is liable or responsible for the other's debts or obligations, nor shall either party be obligated for any damages to any person or property directly or indirectly arising out of the operation of the other party's business authorized

by or conducted pursuant to this Agreement. The Franchisor and the Franchisee agree that neither of them will hold themselves out to be the agent, employer or partner of the other and that neither of them has the authority to bind or incur liability on behalf of the other.

19.2 Payment of Third Party Obligations.

The Franchisor shall have no liability for the Franchisee's obligations to pay any third parties, including without limitation, any product vendors, or any sales, use, service, occupation, excise, gross receipts, income, property or other tax levied upon the Franchisee, the Franchisee's property, the GOLFTEC Improvement Center or upon the Franchisor in connection with the sales made or business conducted by the Franchisee (except any taxes the Franchisor is required by law to collect from the Franchisee with respect to purchases from the Franchisor).

19.3 Indemnification.

The Franchisee agrees to indemnify, defend and hold harmless the Franchisor, its subsidiaries and affiliates, and their respective shareholders, directors, officers, employees, agents, successors and assignees, (the "**Indemnified Parties**") against, and to reimburse them for all claims, obligations and damages described in this Section 19.3, any and all third party obligations described in Section 19.2 and any and all claims and liabilities directly or indirectly arising out of the operation of the GOLFTEC Improvement Center or provision by the Franchisee's Certified Coaches of client instruction or arising out of the use of the Marks and Licensed Methods in any manner not in accordance with this Agreement. For purposes of this indemnification, "claims" shall mean and include all obligations, actual and consequential damages and costs reasonably incurred in the defense of any claim against the Indemnified Parties, including, without limitation, reasonable accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses. The Franchisor shall have the right to defend any such claim against it. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

20. RESTRICTIVE COVENANTS

20.1 Non-Competition During Term.

The Franchisee acknowledges that, in addition to the license of the Marks hereunder, the Franchisor has also licensed commercially valuable information which comprises and is a part of the Licensed Methods, including without limitation, supply, operations, marketing, advertising and related information and materials and that the value of this information derives not only from the time, effort and money which went into its compilation, but from the usage of the same by all the franchisees of the Franchisor using the Marks and Licensed Methods. The Franchisee therefore agrees that, other than the GOLFTEC Improvement Center licensed herein or authorized by separate agreement with the Franchisor, neither the Franchisee nor any of the Franchisee's officers, directors, shareholders, members or partners (with the exception of Certified Coaches, who shall be subject to separate and distinct noncompetition covenants, as provided in Section 20.4 below), nor any member of his or their immediate families, shall during the term of this Agreement:

- a. have any direct or indirect controlling interest as a disclosed or beneficial owner in a "Competitive Business" as defined below;
- b. perform services as a director, officer, manager, employee, consultant, representative, golf instructor, agent or otherwise for a Competitive Business; or

c. divert or attempt to divert any business related to, or any customer or account of the GOLFTEC Improvement Center, the Franchisor's business or any other GOLFTEC franchisee's business, by direct inducement or otherwise, or divert or attempt to divert the employment of any employee of the Franchisor, its parent company GOLFTEC Enterprises, LLC or another franchisee licensed by the Franchisor or an affiliate of the Franchisor to use the Marks and Licensed Methods, to any Competitive Business by any direct inducement or otherwise, except as may be provided in Section 10.3 above with respect to Certified Coaches.

The term "**Competitive Business**" as used in this Agreement shall mean any business operating, or granting franchises or licenses to others to operate, a retail, wholesale, distribution, electronic commerce or mail order business deriving more than 10% of its gross receipts from golf instruction or the sale of custom golf clubs. Notwithstanding the foregoing, the Franchisee shall not be prohibited from owning securities in a Competitive Business if such securities are listed on a stock exchange or traded on the over-the-counter market and represent 5% or less of that class of securities issued and outstanding.

20.2 Post-Termination Covenant Not to Disparage or Compete.

Upon termination or expiration of this Agreement for any reason, the Franchisee and its officers, directors, shareholders, and/or partners agree that, for a period of two years commencing on the effective date of termination or expiration, or the date on which the Franchisee ceases to conduct business, whichever is later, neither Franchisee nor its officers, directors, shareholders, members, and/or partners shall (1) make any public statement or intentionally perform or do any other act prejudicial or injurious to the reputation, business or goodwill of GOLFTEC or any of its affiliates, its shareholders, the principals of any of its shareholders, or the respective predecessors of the foregoing, or otherwise intentionally interfere with the business of GOLFTEC or its affiliates, its shareholders, the principals of any of its shareholders, or the respective predecessors of the foregoing; or (2) have any direct or indirect interest (through a member of any immediate family of the Franchisee or its Owners or otherwise) as a disclosed or beneficial owner, investor, partner, member, director, officer, employee, consultant, representative or agent or in any other capacity in any Competitive Business, defined in Section 20.1 above, located or operating within a 50 mile radius of the Franchised Location, within 50 miles of the Franchised Location of any other franchised GOLFTEC Improvement Center or, within 50 miles of any GOLFTEC Improvement Center owned by the Franchisor or affiliate of the Franchisor or violate the restrictions contained in Section 20.1.c. above. The restrictions of this Section shall not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent 5% or less of the number of shares of that class of securities issued and outstanding. The Franchisee and its officers, directors, shareholders, members, and/or partners expressly acknowledge that they possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Section will not deprive them of their personal goodwill or ability to earn a living. The Franchisee and its officers, directors, shareholders, members, and/or partners expressly acknowledge that the duration and geographic restriction on competition is fair and reasonable, based on the geographic scope of the GOLFTEC business operations and based on their access to, amongst other things, trade secrets, licensed Technology Systems, intellectual property, and other proprietary information. The Franchisee and its officers, directors, shareholders, members, and/or partners expressly acknowledge they have had access to trade secrets, intellectual property, and other information of value or use to GOLFTEC's competitors, and therefore these limited restrictions on their future employment and business activities are fair and reasonable.

20.3 Confidentiality of Proprietary Information.

The Franchisee shall treat all information it receives which comprises or is a part of the Licensed Methods licensed hereunder as proprietary and confidential and will not use such information in an

unauthorized manner or disclose the same to any unauthorized person without first obtaining the Franchisor's written consent. The Franchisee acknowledges that the Marks and the Licensed Methods have valuable goodwill attached to them, that the protection and maintenance thereof is essential to the Franchisor and that any unauthorized use or disclosure of the Marks and Licensed Methods will result in irreparable harm to the Franchisor.

20.4 Confidentiality Agreement.

The Franchisor reserves the right to require that the Franchisee cause each of its officers, directors, partners, shareholders, members, managers, employees and Center Manager, and, if the Franchisee is an individual, immediate family members, to execute a Nondisclosure and Noncompetition Agreement containing the above restrictions, in a form approved by the Franchisor. Certified Coaches shall execute with the Franchisor a Certified Personal Coach Agreement containing such confidentiality and noncompetition covenants as may be required by the Franchisor.

21. INSURANCE

21.1 Insurance Coverage.

The Franchisee shall procure, maintain and provide evidence of (i) comprehensive general liability insurance for the Franchised Location and its operations, including products liability, with a limit of not less than \$2,000,000 combined single limit, and \$3 million in aggregate for personal injuries or deaths of persons occurring in or about the Franchise Location, or such greater limits as may be required as part of any lease agreement for the Franchised Location; (ii) automobile liability insurance covering all employees of the GOLFTEC Improvement Center with authority to operate a motor vehicle in an amount not less than \$1,000,000 or, with the prior written consent of the Franchisor, such lesser amount as may be available at a commercially reasonable rate, but in no event less than any statutorily imposed minimum coverage; (iii) unemployment and worker's compensation insurance with a broad form all-states endorsement coverage sufficient to meet the requirements of the law; and (iv) all-risk personal property insurance in an amount equal to at least 100% of the replacement costs of the contents and tenant improvements located at the GOLFTEC Improvement Center. The Franchisor reserves the right to require that the Franchisee obtain and maintain, in addition to all other policies of insurance, employment practices insurance in such amounts as may be reasonable for a GOLFTEC Improvement Center. All of the required policies of insurance shall name the Franchisor as an additional insured and shall be primary and non-contributing and shall provide for a 30-day advance written notice to the Franchisor of cancellation. The Franchisor shall have the right upon 60 days prior written notice to the Franchisee to revise the coverage limits described in this Section 21.1.

21.2 Proof of Insurance Coverage.

The Franchisee will provide proof of insurance to the Franchisor prior to commencement of operations at its GOLFTEC Improvement Center. This proof will show that the insurer has been authorized to inform the Franchisor in the event any policies lapse or are cancelled. The Franchisor has the right to change the minimum amount of insurance the Franchisee is required to maintain by giving the Franchisee prior reasonable notice, giving due consideration to what is reasonable and customary in the similar business. Noncompliance with the insurance provisions stated herein shall be deemed a material breach of this Agreement; in the event of any lapse in insurance coverage, in addition to all other remedies, the Franchisor shall have the right to demand that the Franchisee cease operations of the GOLFTEC Improvement Centers until coverage is reinstated, or, in the alternative, pay any delinquencies in premium payments and charge the same back to the Franchisee.

22. ARBITRATION

22.1 Arbitration.

Except for controversies, disputes or claims related to or based on the enforcement by the Franchisor or its affiliates of their rights in the Marks, the enforcement of covenants not to compete or any lease of real estate, all controversies, disputes or claims between the Franchisor, its officers, directors, shareholders, sales people, subsidiaries and affiliated companies and their shareholders, officers, directors, agents, employees and attorneys (in their respective capacity) and the Franchisee (and its owners and guarantors, if applicable) arising out of or related to: (1) this Agreement or any other agreement between the parties or any provision of such agreements; (2) the relationship of the parties hereto; (3) the validity of this Agreement or any other agreement between the parties or any provision of such agreements; or (4) any Licensed Method, shall be submitted for arbitration to the Denver, Colorado office of the American Arbitration Association (“AAA”) on demand of either party. Such arbitration proceedings shall be conducted in Denver, Colorado, and shall be heard by one arbitrator in accordance with the then current Commercial Arbitration Rules of the AAA, except as such rules are modified by Section 22 or other provision of this Agreement.

22.2 Scope of Arbitration

The arbitrator shall have the right to award or include in the award any relief which he deems proper in the circumstances, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, and attorneys’ fees and costs, in accordance with Section 23.7 of this Agreement, provided that the arbitrator shall not award exemplary or punitive damages. The award and decision of the arbitrator shall be conclusive and binding upon all parties hereto and judgment upon the award may be entered in any court of competent jurisdiction. Each party waives any right to contest the validity or enforceability of such award. The Franchisor and the Franchisee agree to be bound by the provisions of any applicable limitation on the period of time by which claims must be brought under applicable law or this Agreement, whichever is less. The parties further agree that, in connection with any such arbitration proceeding, each shall file any compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within thirty (30) days after the date of the filing of the claim to which it relates. This provision shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. The Franchisor and the Franchisee agree that arbitration shall be conducted on an individual, not a class-wide, basis and that an arbitration proceeding between the Franchisor and the Franchisee shall not be consolidated with any other arbitration proceeding involving the Franchisor and any other person, partnership or entity.

22.3 Governing Law/Consent to Venue and Jurisdiction.

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), the Federal Arbitration Act, or other federal law, this Agreement shall be interpreted under the laws of the state of Colorado and any dispute between the parties shall be governed by and determined in accordance with the substantive laws of the state of Colorado, which laws shall prevail in the event of any conflict of law. The Franchisee and the Franchisor have negotiated regarding a forum in which to resolve any disputes which may arise between them and have agreed to select a forum in order to promote stability in their relationship. Therefore, if a claim is asserted in any legal proceeding involving the Franchisee, its officers, directors, managers or partners (collectively, “**Franchisee Affiliates**”) and the Franchisor, its officers, directors or sales employees (collectively, “**Franchisor Affiliates**”) the parties agree that the exclusive venue for disputes between them shall be in the state and federal courts of Colorado or the Denver, Colorado office of the AAA and each party waives any objection they may have to the personal jurisdiction of or venue in the state and federal courts of Colorado or the Denver, Colorado office

of the AAA. The Franchisor, the Franchisor Affiliates, the Franchisee and the Franchisee Affiliates each waive their rights to a trial by jury.

22.4 Injunctive Relief.

Notwithstanding the above provision for arbitration, the Franchisor and the Franchisee will each have the right in a proper case to obtain injunctive relief and any damages incidental thereto from a court of competent jurisdiction. The Franchisee agrees that the Franchisor may obtain such injunctive relief, without posting a bond or bonds in excess of a total of \$500, but upon due notice, and the Franchisee's sole remedy in the event of the entry of such injunctive relief will be the dissolution of such injunctive relief, if warranted, upon hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by the Franchisee. Any such action will be brought as provided in Section 22.3 above and the prevailing party shall be entitled to its costs and attorneys' fees.

23. MISCELLANEOUS PROVISIONS

23.1 Modification.

The Franchisor and/or the Franchisee may modify this Agreement only upon execution of a written agreement between the two parties. The Franchisee acknowledges that the Franchisor may modify its standards and specifications and operating and marketing techniques stated in the Operations Manual unilaterally under any conditions and to the extent in which the Franchisor, in its sole discretion, deems necessary to protect, promote, or improve the Marks and the quality of the Licensed Methods, but under no circumstances will such modifications be made arbitrarily without such determination.

23.2 Entire Agreement.

This Agreement, including all exhibits and addenda, contains the entire agreement between the parties and supersedes any and all prior agreements concerning the subject matter hereof. The Franchisee agrees and understands that the Franchisor shall not be liable or obligated for any oral representations or commitments made prior to the execution hereof or for claims of negligent or fraudulent misrepresentation and that no modifications of this Agreement shall be effective except those in writing and signed by both parties. The Franchisor does not authorize and will not be bound by any representation of any nature other than those expressed in this Agreement and in the most recent disclosure document provided by the Franchisor to the Franchisee in connection with the execution of this Agreement. The Franchisee further acknowledges and agrees that no representations have been made to it by the Franchisor regarding projected sales volumes, market potential, revenues, profits of the Franchisee's GOLFTEC Improvement Center, or operational assistance other than as stated in this Agreement or in any disclosure document provided by the Franchisor or its representatives.

23.3 Delegation by the Franchisor.

From time to time, the Franchisor shall have the right to delegate the performance of any portion or all of its obligations and duties hereunder to third parties, whether the same are agents of the Franchisor or independent contractors which the Franchisor has contracted with to provide such services. The Franchisee agrees in advance to any such delegation by the Franchisor of any portion or all of its obligations and duties hereunder.

23.4 Effective Date.

This Agreement shall not be effective until accepted by the Franchisor as evidenced by dating and signing by an officer of the Franchisor.

23.5 Review of Agreement.

The Franchisee acknowledges that it had a copy of this Agreement in its possession for a period of time not less than 14 calendar days (or such longer time period as required by applicable state law), during which time the Franchisee has had the opportunity to submit same for professional review and advice of the Franchisee's choosing prior to freely executing this Agreement.

23.6 Payment of Taxes.

The Franchisee shall reimburse the Franchisor, or its affiliates and designees, promptly and when due, the amount of all sales taxes, use taxes, personal property taxes and similar taxes imposed upon, required to be collected or paid by the Franchisor, or its affiliates or designees, on account of services or goods furnished by the Franchisor, its affiliates or designees, to the Franchisee through sale, lease or otherwise (except for any taxes the Franchisor or its affiliates are required by law to collect from the Franchisee with respect to products purchased from the Franchisor and its affiliates), or on account of collection by the Franchisor, its affiliates or designees, of the initial franchise fee, Royalties, NMAAF Contributions, payment for inventory or any other payments made by the Franchisee to the Franchisor required under the terms of this Agreement.

23.7 Attorneys' Fees.

In the event of any dispute between the parties to this Agreement, in addition to all other remedies, the party at fault will pay the prevailing party all amounts due and all damages, costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in any legal action, arbitration or other proceeding as a result of such dispute, plus interest at the highest rate allowable by law, accruing from the date such dispute was first submitted to a court, arbitration or mediation.

23.8 No Waiver.

No waiver of any condition or covenant contained in this Agreement or failure to exercise a right or remedy by the Franchisor or the Franchisee shall be considered to imply or constitute a further waiver by the Franchisor or the Franchisee of the same or any other condition, covenant, right, or remedy.

23.9 No Right to Set Off.

The Franchisee shall not be allowed to set off amounts owed to the Franchisor for Royalties, fees or other amounts due hereunder, against any monies owed to Franchisee, nor shall the Franchisee in any event withhold such amounts due to any alleged nonperformance by the Franchisor hereunder, which right of set off is hereby expressly waived by the Franchisee.

23.10 Invalidity.

If any provision of this Agreement is held invalid by any tribunal in a final decision from which no appeal is or can be taken, such provision shall be deemed modified to eliminate the invalid element and, as so modified, such provision shall be deemed a part of this Agreement as though originally included. The remaining provisions of this Agreement shall not be affected by such modification.

23.11 Notices.

All notices required to be given under this Agreement shall be given in writing, by certified mail, return receipt requested, or by an overnight delivery service providing documentation of receipt, at the address stated in the first Section of this Agreement or at such other addresses as the Franchisor or the Franchisee may designate from time to time, and shall be effectively given when deposited in the United States mails, postage prepaid, or when received via overnight delivery, as may be applicable.

23.12 Cumulative Rights

The rights and remedies of the Franchisor and the Franchisee hereunder are cumulative and no exercise or enforcement by the Franchisor or the Franchisee of any right or remedy hereunder shall preclude the exercise or enforcement by the Franchisor or the Franchisee of any other right or remedy hereunder which the Franchisor or the Franchisee is entitled by law to enforce.

23.13 Acknowledgement.

BEFORE SIGNING THIS AGREEMENT, THE FRANCHISEE SHOULD READ IT CAREFULLY WITH THE ASSISTANCE OF LEGAL COUNSEL. THE FRANCHISEE ACKNOWLEDGES THAT:

(A) THE SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED HEREIN INVOLVES SUBSTANTIAL RISKS AND DEPENDS UPON THE FRANCHISEE'S OR THE FRANCHISE OWNER'S ABILITY AS AN INDEPENDENT BUSINESS PERSON AND ITS ACTIVE PARTICIPATION IN THE DAILY AFFAIRS OF THE BUSINESS, AND

(B) NO ASSURANCE OR WARRANTY, EXPRESS OR IMPLIED, HAS BEEN GIVEN AS TO THE POTENTIAL SUCCESS OF SUCH BUSINESS VENTURE OR THE EARNINGS LIKELY TO BE ACHIEVED, AND

I NO STATEMENT, REPRESENTATION OR OTHER ACT, EVENT OR COMMUNICATION, EXCEPT AS STATED IN THIS DOCUMENT, AND IN ANY DISCLOSURE DOCUMENT SUPPLIED TO THE FRANCHISEE IS BINDING ON THE FRANCHISOR IN CONNECTION WITH THE SUBJECT MATTER OF THIS AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above stated.

GOLFTEC FRANCHISING LLC

FRANCHISEE

By: _____
Name: _____
Title: _____

Individually

Print Name
Address: _____
City: _____
State: _____
Zip: _____

Individually

Print Name: _____
Address: _____
City: _____
State: _____
Zip: _____

OR:
(if a corporation, LLC or partnership)

Company Name

By: _____
Name: _____
Title: _____
Address: _____
City: _____
State: _____ Zip: _____

EXHIBIT I
TO FRANCHISE AGREEMENT

ADDENDUM TO GOLFTEC FRANCHISING LLC
FRANCHISE AGREEMENT

1. **Franchised Location.** The Franchised Location, described in Section 3.1 of the Agreement, shall be: _____;
and the Protected Territory described in Section 3.2 of the Agreement shall be: _____.

OR

Designated Area. The Franchisor and the Franchisee acknowledge that the Franchised Location cannot be designated in Section 1 above as a specific address because the location has not been selected and approved; therefore, within 90 days following the date of the Agreement, the Franchisee shall take steps to choose and acquire a location for its GOLFTEC Improvement Center within the following geographic area ("**Designated Area**"): _____

2. **Initial Franchise Fee.** The Initial Franchise Fee, described in Section 4.1 of the Agreement, is \$_____, payable concurrently with the execution of this Agreement.

3. **NMAAF Contribution.** The Franchisee's NMAAF Contribution, described in Section 12.3 of the Agreement, shall be set at 4% of Gross Revenues and .8% of the Merchandise Revenues subject to the annual aggregate maximum provided therein.

4. **Additional Merchandise Advertising Contribution.** Franchisor's Additional Merchandise Advertising Contribution shall be as described in Section 12.3 of the Agreement.

5. **Acknowledgement.** By executing this Exhibit and/or the Rider hereto, the Franchisee acknowledges that the Franchisor's approval of a site does not constitute a representation or warranty of any kind, express or implied, as to the suitability of the site for a GOLFTEC Improvement Center or for any other purpose and that the Franchisee's acceptance of a franchise for the operation of a GOLFTEC Improvement Center at the site is based on its own independent investigation of the suitability of the site.

Fully executed this _____ day of _____, 20____.

GOLFTEC FRANCHISING LLC

By: _____
Name: _____
Title: _____

FRANCHISEE

Individually

Print Name

Individually

Print Name

OR:

(if a corporation, LLC or partnership)

Company Name

By: _____

Name: _____

Title: _____

**EXHIBIT I-1
TO FRANCHISE AGREEMENT**

RIDER TO ADDENDUM – LOCATION APPROVAL

1. **Franchised Location.** The Franchised Location, stated in Section 3.1 of the Agreement shall be:_____.

2. **Protected Territory.** The Protected Territory described in Section 3.2 of the Agreement, shall be: _____.

3. **Acknowledgement.** By executing this Exhibit, the Franchisee acknowledges that the Franchisor's approval of a site does not constitute a representation or warranty of any kind, express or implied, as to the suitability of the site for a GOLFTEC Improvement Center or for any other purpose and that the Franchisee's acceptance of a franchise for the operation of a GOLFTEC Improvement Center at the site is based on its own independent investigation of the suitability of the site.

Fully executed this _____ day of

_____, 20

_____.

GOLFTEC FRANCHISING LLC

By: _____

Name: _____

Title: _____

FRANCHISEE

Print Name

Individually

OR:

(if a corporation, LLC or partnership)

Company Name

By: _____
Name: _____
Title: _____

**EXHIBIT II
TO FRANCHISE AGREEMENT**

GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of the above Franchise Agreement (the "**Agreement**") by GOLFTEC Franchising LLC (the "**Franchisor**"), each of the undersigned hereby personally and unconditionally:

Guarantees to the Franchisor and its successors and assigns, for the term of this Agreement, including renewals thereof, that the franchisee as that term is defined in the Agreement ("**Franchisee**") shall punctually pay and perform each and every undertaking, agreement and covenant stated in the Agreement; and

Agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement.

Each of the undersigned waives the following:

1. Acceptance and notice of acceptance by the Franchisor of the foregoing undertaking;
2. Notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;
3. Protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed;
4. Any right he or she may have to require that any action be brought against Franchisee or any other person as a condition of liability; and
5. Any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each of the undersigned consents and agrees that:

1. His or her direct and immediate liability under this guaranty shall be joint and several;
2. He or she shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so;
3. Such liability shall not be contingent or conditioned upon pursuit by the Franchisor of any remedies against Franchisee or any other person;
4. Such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which the Franchisor may from time to time grant to Franchisee or to any other person, including without limitation the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the term of the Agreement, including renewals thereof;
5. He or she shall be bound by the restrictive covenants and confidentiality provisions contained in Article 20 of the Agreement and the indemnification provision contained in Section 19.3 of the Agreement and such provisions are incorporated into this Guaranty by this reference;

6. The arbitration, injunctive relief, governing law and jurisdiction provisions contained in Article 22 and the attorneys' fee provision contained in Section 23.7 of the Agreement shall govern this Guaranty and such provisions are incorporated into this Guaranty by this reference; and

7. This Guaranty and Assumption of Franchisee's Obligations may be signed and transmitted in counterpart, via facsimile, electronically, as a scanned or imaged document attached to an email or online or otherwise, any of which shall have the same effect as the originals, but all of which, when taken together, to constitute one and the same instrument and shall be deemed to have the same binding and legally enforceable effect as if the document contained an original signature.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature effective on the same day and year as the Agreement was executed.

WITNESS

GUARANTOR(S)

By: _____
Print Name: _____

By: _____
Print Name: _____

By: _____
Print Name: _____

By: _____
Print Name: _____

EXHIBIT III
TO FRANCHISE AGREEMENT

STATEMENT OF OWNERSHIP

Franchisee: _____

Trade Name (if different from above): d/b/a/ GOLFTEC

Franchisee Taxpayer Identification No.: _____

If the Franchisee is not an individual, provide the name and address of each partner, member, shareholder or owner showing percentage owned, whether active in management, and indicate the state in which the entity was formed.

Name and Address	Title	Percentage Owned
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Franchisee acknowledges that this Statement of Ownership applies to the GOLFTEC Improvement Center authorized under the Franchise Agreement.

Use additional sheets if necessary. Any and all changes to the above information must be reported to the Franchisor in writing.

Date

By: _____
Print Name: _____
Title: _____

(If Franchise is an entity)

By: _____
Print Name: _____
Title: _____

**EXHIBIT IV
TO FRANCHISE AGREEMENT**

**AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS
(DIRECT DEBITS)**

The undersigned depositor (“**Depositor**”) hereby (1) authorizes GOLFTEC Franchising LLC or its affiliates (“**Company**”) to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account indicated below and (2) authorizes the depository designated below (“**Depository**”) to debit such account pursuant to Company's instructions.

Depository	Branch
------------	--------

City	State	Zip Code
------	-------	----------

Bank Transit/ABA Number	Account Number
-------------------------	----------------

This authority is to remain in full force and effect until Depository has received joint written notification from Company and Depositor of the Depositor's termination of such authority in such time and in such manner as to afford Depository a reasonable opportunity to act on it. Notwithstanding the foregoing, Depository shall provide Company and Depositor with 30 days' prior written notice of the termination of this authority. If an erroneous debit entry is initiated to Depositor's account, Depositor shall have the right to have the amount of such entry credited to such account by Depository, if (a) within 15 calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to such entry or (b) 45 days after posting, whichever occurs first, Depositor shall have sent to Depository a written notice identifying such entry, stating that such entry was in error and requesting Depository to credit the amount thereof to such account. These rights are in addition to any rights Depositor may have under federal and state banking laws.

d/b/a GOLFTEC

DEPOSITOR (Print Name)

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT V
TO FRANCHISE AGREEMENT

GOLFTEC FRANCHISING LLC
SOFTWARE LICENSE AGREEMENT

THIS SOFTWARE LICENSE AGREEMENT (“Software License Agreement”) is made and entered into this ___th day of ___, 20___, by and between **GOLFTEC FRANCHISING LLC**, a Colorado limited liability company, with its principal offices at 67 Inverness Drive East, Suite A, Englewood, Colorado 80112 (“**Company**”), and _____, whose principal address is _____ (“**Franchisee**”), who agree as follows:

1. **Background.** The parties hereto have entered into that certain GOLFTEC Franchising LLC Franchise Agreement dated as of even date herewith (the “**Franchise Agreement**”), under which Company has granted Franchisee the right to operate a “GOLFTEC Improvement Center” (the “**Improvement Center**”), at the location identified (or to be identified) in Exhibit I to the Franchise Agreement (the “**Franchised Location**”). Company has the right to license a certain series of computer software including TECswingSM, TECPUTTSM, CaddyMasterSM, Online Scheduling, Sync Software and any minor modifications or revisions thereto (the “**Software**”) for use in connection with motion analysis equipment, digital video equipment and impact analysis technology, comprising the Company's licensed TECswing teaching system (“**TECswing System**”) and specialized office system hardware (such Software, hardware and TECswing System being collectively referred to as “**Technology Systems**”). A mobile version of the TECswing System known as the “**TECswing Portable System**” also uses the Software. The Technology Systems include components licensed to Company by third parties (“**Suppliers**”). Franchisee desires to obtain a license, and Company desires to grant Franchisee a license, to use the Software, subject to the terms and conditions hereof. To that end, for good and valuable consideration, the parties agree to the terms and conditions provided below.

2. **Grant of License and Engagement.** Company hereby grants to Franchisee a nonexclusive, nontransferable, license to use the Software for the term hereof, subject to the following terms and conditions:

a. The Software shall be installed and configured by Company or its designated representatives on the hardware components of the Technology Systems. All maintenance, updates and repair of the Software shall be Franchisee's sole responsibility, but shall only be undertaken in a manner first approved by Company. All updates and revisions to the Software shall be installed on the hardware components of the Technology Systems by Franchisee as directed by Company in a timely manner, so as to ensure that Franchisee is using the most current version of the Software at all times. Franchisee shall maintain an internet connection directly to the Technology Systems for updates and revisions to the Software and for data exchange between Company and Franchisee. Franchisee will also be responsible for ensuring a proper environment and proper utilities for the hardware components of the Technology Systems on which the Software will operate, including an uninterrupted power supply.

b. Except with the prior written consent of Company, the Software shall not be: (i) operated by persons other than Franchisee and employees of Franchisee; (ii) operated on equipment other than the equipment that comprises the Technology Systems; (iii) operated on computers located anywhere other than at the Franchised Location; provided, however, this Software License Agreement shall apply to the Software loaded on any mobile TECswing Portable System authorized by Company to be operated by Franchisee; or (iv) operated in any other manner or for any other purpose except as instructed by Company.

c. The Software shall be used only to perform information processing in Franchisee's operation of the Improvement Center and shall not be used to perform information processing for any other person, entity or business.

d. Franchisee shall not, and shall not allow its employees or agents to: (i) sell, assign, lease, license, market or commercially exploit, in any way, the Software, any component thereof or any data generated by the use of the Software; (ii) disclose or grant access to the Software, any component thereof or any data generated by the use of the Software, to any third party other than one whom Company has approved in writing and who has agreed in writing with Company or Franchisee to keep the contents, capabilities and functions of the Software confidential; or (iii) copy or reproduce the Software, any component thereof or any data generated by the use of the Software, in any manner, except for normal back-up and operations thereof; provided nothing contained herein shall prohibit Franchisee from using the data generated by the Software to the extent reasonably necessary to comply with local, state and federal law and for usual and customary business purposes.

e. Franchisee shall keep the Software and, except as authorized by Company in writing, any data generated by the use of the Software confidential during and after the term hereof, and shall establish and maintain such security precautions as are prescribed by Company from time to time to maintain the secrecy of the Software and any data generated by the use of the Software, and to prevent the unauthorized access to or use, disclosure or copying of the Software or any data generated by the use of the Software. Franchisee shall cause each of its employees who has access to the Software to execute a written confidentiality agreement in a form prescribed or approved in writing by Company. Franchisee shall immediately inform the Company in writing if an employee breaches the written confidentiality agreement or otherwise violates the terms and conditions of this Software License Agreement, or if Franchisee learns of any actual or possible unauthorized disclosure of the Software or any data generated by the use of the Software, such as the loss or theft of any tangible medium (such as a diskette), documentation or other component thereof.

f. Franchisee acknowledges and agrees that the Software and any data generated by the use of the Software is the valuable property and trade secret of Company, and that Company has an interest therein, and Franchisee agrees to use the utmost care to safeguard the Software and any data generated by the use of the Software and to maintain the secrecy and confidentiality thereof. Franchisee shall not undertake to patent, copyright or otherwise assert proprietary rights to the Software or any data generated by the use of the Software or any portion thereof. Franchisee shall not create any derivative works based on the Software without the prior written consent of Company. Franchisee recognizes that the Software and any data generated by the use of the Software is copyrighted and agrees that nothing in this Software License Agreement shall be construed as causing the copyrighted material to be public information. Franchisee shall ensure that any copies of the Software and any data generated by the use of the Software or any components thereof in its possession contain such copyright notice or other notice of proprietary rights specified by Company. Company retains title and ownership of the Software and all derivative works of the Software. The grant of this license to Franchisee is not a sale by Company of the Software. Franchisee agrees that the Software and concept of the Software is now and shall remain the sole property of Company.

g. Franchisee shall not modify, adapt, translate, reverse engineer, decompile or disassemble the Software in any way without the prior written consent of Company. The Software is licensed as a single product, no component part including, without limitation, third party licensed components of the Software, may be disassembled, separately installed or applied in any manner to any use other than its integration with the Software. Company shall have the right to use any ideas and suggestions developed by Franchisee for modifications to or enhancements of the Software.

h. Company shall have the right at all times to access the Software and to retrieve, analyze and use all data in the files of Franchisee for the Software.

i. Franchisee acknowledges and agrees that any violation by Franchisee of the provisions of this Section 2 would cause Company irreparable injury for which Company would have no adequate remedy at law and that, in addition to any other remedies which it may have, Company shall be entitled to preliminary and permanent injunctive relief against any such violation.

j. Upon expiration or termination of this Agreement or the Franchise Agreement, Franchisee immediately shall cease further use of the Software, allow Company's employees or agents to remove the Technology Systems containing the Software, return the Software and all copies of the Software that may be operating on computers that are not part of the Technology Systems and any data generated by the use of the Software (excluding financial reports on the operation of the Improvement Center) to Company, and destroy any and all back-up or other copies of the Software or parts thereof, documentation for the Software and any data generated by the use of the Software, and other materials or information which relate to or reveal the Software and its operation and any data generated by the use of the Software, and Company may cease performance of all of its obligations hereunder without liability of Company to Franchisee.

k. Company reserves the right to add, delete or modify any specific software programs comprising the Software or which are necessary for the operation of the Technology Systems upon 30 days prior written notice to Franchisee.

l. During the term of the Franchise Agreement and, provided that Franchisee is in substantial compliance with the terms of this Software License Agreement, Company shall provide to Franchisee consulting services regarding the Software and Technology Systems which consulting services shall include: Software and Technology Systems updates, maintenance and support in the form of answering Franchisee's reasonable questions about the Software and Technology Systems by telephone, e-mail, or in written and/or electronic documents ("**Technology Consulting Services**"). At Franchisee's reasonable request, Company may customize the Software, if Franchisee and Company agree on such modifications and Franchisee pays Company in advance for such services at Company's then-current hourly rates. Company's Technology Consulting Services shall be provided on the following terms:

i. Company shall provide up to two hours of Technology Consulting Service in any given calendar month. If Franchisee reasonably requests or requires Company to provide more than two hours of Technology Consulting Services in a calendar month and Company elects, in its reasonable discretion, to provide such requested consulting services, then Franchisee shall pay Company a fee at the Company's then-current hourly rate for providing such services. If Company elects at Franchisee's request to make a Company agent or representative available at the Franchised Location to provide Technology Consulting Services, then the Franchisee shall pay for such person's travel, lodging and living expenses, telephone charges and other identifiable expenses incurred in connection with such assistance plus a per diem fee at Company's then-current rate; provided, however, nothing herein shall require Company to send such a person to the Franchised Location to provide the Technology Consulting Services.

ii. Company shall include minor Software upgrades and modifications, free of extra charge to Franchisee, as a part of its Technology Consulting Services; provided, however, Company reserves the right to determine when major upgrades or modifications are necessary and shall have the right to charge Franchisee a reasonable fee for the same. If Company determines that a major upgrade or modification is necessary, Franchisee shall implement the Software change in a manner and time frame designated by Company.

iii. Company shall provide an invoice to Franchisee for Technology Consulting Services chargeable to Franchisee in accordance with Section 2.1.i above. Franchisee shall pay the full amount charged within 14 days of the date of such invoice.

3. **Term.** Subject to earlier termination in accordance with the terms hereof or the Franchise Agreement, the term hereof and the license granted hereunder shall commence on the date hereof and shall extend for a term commensurate with the term of the Franchise Agreement.

4. **Software License Fee.** In consideration of the license granted herein, Franchisee agrees to pay to Company a license fee in the amount of \$11,000 for the first year of the Agreement, which amount will increase three percent (3%) annually until the termination of the Agreement ("**Software License Fee**"). The Software License Fee shall be paid annually on or before the first anniversary of the date on which the Improvement Center opens for business, and annually on or before each anniversary of the date on which the Improvement Center opened for business thereafter. The Software License Fee may be paid in equal monthly installments per month beginning the thirteenth month after the date on which the Improvement Center opened for business. The Software License Fee shall be deemed to be earned when paid and shall not be prorated, rebated or refunded under any circumstance. The Software License Fee and any other amounts due to Company hereunder shall be subject to the same late charges and interest as Royalties.

5. **Taxes.** Franchisee shall pay when due any and all sales, license, transaction or other federal, state or local taxes, however designated, which are levied or imposed by reason of the transaction contemplated by this Software License Agreement.

6. **Warranties.** Company represents and warrants to Franchisee that: (a) Company has all rights, titles, licenses and authorizations to license the Software to Franchisee; and (b) the Software does not, and as a result of any updates or revisions provided by Company, the Software will not, to the best of Company's knowledge, infringe upon any United States patent, copyright or other proprietary right of any third party. If Franchisee's use of the Software as provided by Company is enjoined as a result of a claim by a third party of patent or copyright infringement or violation of proprietary rights, then Company shall use commercially reasonable efforts to either (i) procure for Franchisee the right to continue use of the Software as contemplated hereunder, or (ii) replace the Software or modify it such that there is no infringement of the third party's rights. Such action shall be Company's sole and exclusive obligation to Franchisee with respect thereto and Company shall have no further liability to Franchisee.

COMPANY DOES NOT REPRESENT OR WARRANT TO FRANCHISEE, AND EXPRESSLY DISCLAIMS, ANY WARRANTY THAT THE SOFTWARE IS ERROR-FREE OR THAT THE OPERATION AND USE OF THE SOFTWARE BY FRANCHISEE WILL BE UNINTERRUPTED OR ERROR-FREE. COMPANY SHALL NOT HAVE ANY OBLIGATION OR LIABILITY FOR ANY EXPENSE OR LOSS INCURRED BY FRANCHISEE ARISING FROM USE OF THE SOFTWARE IN CONJUNCTION WITH ANY OTHER COMPUTER SOFTWARE.

EXCEPT AS PROVIDED ABOVE, COMPANY MAKES NO WARRANTIES, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, WITH RESPECT TO THE SOFTWARE, AND EXPRESSLY EXCLUDES ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE; OR CLAIM OF INFRINGEMENT.

7. **Limitation Of Liability.** IN NO EVENT SHALL COMPANY OR ANY OF ITS SUPPLIERS OR THIRD-PARTY DEVELOPERS HAVE ANY LIABILITY TO FRANCHISEE OR ANY OTHER PERSON HEREUNDER FOR CONSEQUENTIAL, PUNITIVE, SPECIAL OR INCIDENTAL DAMAGES OF ANY KIND WHATSOEVER (INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF BUSINESS PROFITS, BUSINESS INTERRUPTION, LOSS OF BUSINESS INFORMATION OR ANY OTHER PECUNIARY LOSS) RELATED TO THIS AGREEMENT OR

RESULTING FROM FRANCHISEE'S USE OR INABILITY TO USE THE SOFTWARE, ARISING FROM ANY CAUSE OF ACTION WHATSOEVER, INCLUDING CONTRACT, WARRANTY, STRICT LIABILITY, OR NEGLIGENCE (EVEN IF COMPANY HAS BEEN NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES). FRANCHISEE AGREES THAT IN NO EVENT SHALL COMPANY, SUPPLIERS OR THIRD-PARTY DEVELOPERS' LIABILITY HEREUNDER EXCEED THE AGGREGATE OF ALL AMOUNTS PAID TO COMPANY BY FRANCHISEE HEREUNDER.

8. **Indemnification.** Franchisee hereby agrees to indemnify and hold Company and its affiliates, and its and their shareholders, officers, directors, employees and agents (collectively, the "**Indemnified Parties**") harmless from and against any and all loss, cost, damage, liability and expense (including without limitation reasonable attorneys' fees, court costs and other reasonable costs and expenses) which may be suffered, sustained or incurred by any one or more of the Indemnified Parties as a result of, arising out of, or in connection with (a) Franchisee's breach of any its obligations hereunder, and (b) any and all negligent acts or omissions of Franchisee or any of its owners, officers, directors, employees or agents.

9. **Transfer by Franchisee.** Franchisee may transfer Franchisee's rights under this Software License Agreement only in conjunction with a transfer of the Franchise Agreement approved by Company.

10. **Termination.** The license granted to Franchisee hereunder and this Software License Agreement shall terminate automatically upon the termination or expiration of the Franchise Agreement, without notice or action by any party, and, at the Company's option, upon the occurrence of any of the following events:

a. immediately upon delivery to Franchisee of written notice of termination if Franchisee has violated any provision of this Software License Agreement and, if applicable, failed to cure the violation during any cure period as may be provided under the Franchise Agreement; or

b. immediately and without notice if Franchisee (or a transferee of the Franchise Agreement approved by Company) ceases to have the right to operate the Improvement Center pursuant to the Franchise Agreement; or

c. immediately and without notice if Franchisee shall, without complying with the terms of the Franchise Agreement, directly or indirectly, (i) transfer Franchisee's rights under this Software License Agreement, or (ii) engage in a transfer as defined in the Franchise Agreement.

11. **Post-Termination.** Immediately upon the termination of this Software License Agreement and the license granted herein, all rights granted to Franchisee hereunder shall revert to Company, and Franchisee shall be deemed to have assigned, transferred or conveyed to Company any and all equities and other rights of Franchisee under this Software License Agreement. The obligations of Franchisee under subsections (b) through (j) of Section 2 and Sections 7, 8 and 12 shall survive the termination of this Software License Agreement.

12. **Enforcement.** The dispute resolution provisions including the choice of law and venue clauses contained in the Franchise Agreement are incorporated herein and made a part hereof by this reference.

IN WITNESS WHEREOF, the parties hereto have executed this Software License Agreement as of the day and year first above written.

GOLFTEC FRANCHISING LLC

FRANCHISEE

By: _____
Joseph L. Assell, CEO

By: _____

**EXHIBIT VI
TO FRANCHISE AGREEMENT**

BUILD-OUT AGREEMENT

THIS BUILD-OUT AGREEMENT) is dated _____, 20____, by and between **GOLFTEC FRANCHISING LLC (“Franchisor”)** and _____ (**“Franchisee”**), to supplement certain terms of the Franchise Agreement. To the extent not defined herein, all initial-capitalized references in this Build-Out Agreement shall have the same meaning as defined in the Franchise Agreement.

PURPOSE

A. The Franchise Agreement grants the Franchisee a franchise for the establishment and operation of a GOLFTEC Improvement Center (**“Improvement Center”**).

B. Franchisee acknowledges that the layout, fixtures, design, decoration, color scheme and furnishing of an Improvement Center are an integral part of the Franchisor’s Licensed Methods, and therefore, Franchisee is required to hire Franchisor to assist in constructing, developing and equipping (**“Build-Out Services”**) Franchisee’s Improvement Center.

Franchisor and the Franchisee therefore agree as follows:

1. Build-Out Services. Franchisor shall provide or make available, itself or through arrangements made on behalf of the Franchisee with independent contractors, the following Build-Out Services to the Franchisee, for assisting in the development, construction and equipping of the Improvement Center:

a. Obtaining suitable plans and specifications conforming to Franchisor's requirements for dimensions, exterior design, materials, interior design, layout, signs, counters, equipment and decorating for the Improvement Center, in compliance with applicable ordinances, building codes, permit requirements and lease requirements and restrictions.

b. Monitoring the acquisition of the construction-related permits and licenses by the general contractor selected by the Franchisee.

c. Obtaining telecommunications solutions, including wiring and cable installation.

d. Obtaining fixtures, equipment, furniture and other such materials required for the construction of the Improvement Center (does not include equipment not purchased through the Franchisor such as the telephone system, opening inventory of merchandise and supplies as may be necessary to commence operation of the Improvement Center).

e. Maintaining regular communication with all contractors and/or subcontractors to construct improvements and install equipment and fixtures in the Improvement Center, including participating in the bid review and negotiation process. Franchisor will assist the Franchisee in the selection of any contractors, subcontractors and suppliers and Franchisor will be the sole point of contact for the contractors.

f. Installation of certain equipment in the Improvement Center premises and decorate the premises in compliance with the plans and specifications, and delivery of the completed Improvement Center.

g. Obtaining and arranging for the installment signs, displays, the TECSWING systems and office computer systems and network for the Improvement Center.

h. Making a mid-construction trip to monitor construction progress.

2. Construction Contracts; Indemnity. All contracts for completion of the Build-Out Services, including, without limitation, the Improvements (the “**Construction Contracts**”), shall be in Franchisee’s name and Franchisee shall be solely responsible for payment to all contractors, subcontractors and suppliers providing any of the Improvements or work in connection therewith. It is acknowledged and agreed that Franchisor is acting as agent of Franchisee for the purposes of this Build-Out Agreement. Franchisee shall indemnify and defend Franchisor from and against any and all costs and expenses in connection with this Build-Out Agreement, the Build-Out Services, the Improvements and the Construction Contracts including, but not limited to, attorneys’ and legal fees and costs. All contracts shall instruct the contractors to work with and take instruction from Franchisor. Franchisor shall not have any liability for any action or failure to act of any contractor, subcontractor or supplier. All Construction Contracts shall include an acknowledgement by the applicable contractor, subcontractor or supplier that Franchisor is not liable thereunder and the contractor, subcontractor or supplier will look solely to Franchisee for payment of any obligation thereunder.

3. Commencement of Build-Out Services. Franchisor shall not be obligated to commence the Build-Out Services until the Franchisee, with the assistance of Franchisor, obtains and submits to Franchisor an executed lease or other authority (“**Lease**”) to occupy the location for the Improvement Center, which Lease has been previously approved by Franchisor; and Franchisee has funds to pay third parties in full for the costs for build-out (“**Start Date**”).

4. Completion of Build-Out Obligations.

a. Conditional upon availability of funds to pay the costs for build-out (“**Build-Out Costs**”) and submission of an executed Lease for the location of the Improvement Center, Franchisor agrees to use commercially reasonable efforts to complete development of and have the Improvement Center ready to open within a reasonable time after Franchisor obtains possession of the premises and all required construction permits have been obtained enabling the commencement of construction of the Improvement Center.

b. Franchisor shall endeavor to cause the completion of the Build-Out Services and the Improvements in a timely manner but shall have no liability for any delay in completion no matter the cause. Furthermore, Franchisor shall not be liable for any increase in the cost of completion for any reason or be liable for any other costs or expenses incurred by Franchisee as a result of any action or inaction by Franchisor, its employees or agents. Franchisee hereby specifically waives any claim against Franchisor pursuant to this Build-Out Agreement for any reason including, but not limited to a claim for consequential damages. By way of example and in no way limiting the reasons for delay in completion, Franchisee acknowledges that delay may be caused by delay in receiving approval of construction plans, delay in obtaining permits, delay by contractors or delay in receiving a certificate of occupancy or other certificate required for opening the Improvement Center for business. Franchisee acknowledges and agrees that Franchisor has not made any representations about the completion of the Build-Out Services and the Improvements by a certain time or the cost to complete the Build-Out Services and the Improvements. Franchisee also acknowledges and agrees that Franchisor is not acting as Franchisee's general contractor and nothing contained in this Build-Out Agreement shall be construed or interpreted in such a manner to create such a relationship between Franchisor and Franchisee.

5. **Build-Out Costs.** Prior to the commencement of the Build-Out Services, Franchisee shall, in the determination of Franchisor, in its sole discretion, have available funds to pay the Build-Out Costs in full. The Franchisee acknowledges and understands that construction of the Improvement Center by Franchisor will not begin until arrangements, acceptable to Franchisor, have been made to pay third parties in full for the Build-Out Costs. The Franchisee is solely and exclusively responsible and liable for and shall pay when due all sales, use, property or other taxes (including any penalties and interest) owed due to the construction of the Improvement Center, the improvement of the premises where the Improvement Center is located and the purchase of all materials, equipment, fixtures, furniture, labor, or other items utilized in the development and construction of the Improvement Center.

6. **Control of Build-Out.** The Franchisee acknowledges that the development of the Improvement Center, all design changes, modifications to the Improvement Center design, all construction issues, trade fixture and equipment changes, and all other matters related to the development of the Improvement Center and the construction thereof, shall be within the sole discretion of Franchisor. The Franchisee shall be responsible and liable for obtaining all business licenses, permits and the like not related to construction, required by state or local authorities for the operation of the Improvement Center.

7. **Improvements and Warranties.** Within 30 days after completion of the Improvement Center, Franchisor shall provide the Franchisee a schedule listing all leasehold improvements, equipment, furniture and fixtures installed in the Improvement Center, and any and all equipment warranties provided by third parties.

8. **Excuse of Performance.** Notwithstanding anything in this Build-Out Agreement to the contrary, the obligations of Franchisor to provide the Build-Out Services shall be excused from such delay of performance as may be caused by any legal directive; intervention of any governmental order, regulation, direction, request or contingency; acts of God; or any cause beyond the reasonable control of Franchisor; provided, however, that such excuse of performance shall be limited to the period of delay directly related to such cause.

9. **Franchisee Cooperation.** Franchisee shall cooperate with Franchisor at Franchisee's sole cost and expense and will enter into any contracts, complete any applications for permits, and otherwise cooperate with Franchisor as needed to complete the Build-Out Services and the Improvements.

10. **Insurance.** Franchisee shall be solely responsible for and shall obtain and maintain any insurance required pursuant to the Franchise Agreement or any lease, sublease, or license for the Improvement Center premises.

11. **Build-Out Fee.** Upon execution of this Build-Out Agreement, Franchisee shall pay Franchisor a fee of \$7,500 for Franchisor's Build-Out Services hereunder. This fee is nonrefundable and is due upon execution of this Build-Out Agreement.

12. **Enforcement.** The arbitration, injunctive relief, governing law and jurisdiction provisions contained in Article 22 and the attorneys' fee provision contained in Section 23.7 of the Franchise Agreement shall govern this Build-Out Agreement and such provisions are incorporated into this Build-Out Agreement by reference.

13. **Termination.** Franchisor may terminate this Build-Out Agreement upon not less than thirty (30) days written notice. The termination of this Build-Out Agreement by Franchisor shall not relieve either party of any of its obligations theretofore accrued under this Build-Out Agreement prior to the effective date of such termination and Franchisee's indemnity obligations and waiver of claims against Franchisor shall survive termination of this Build-Out Agreement.

14. **Conflict.** In the event of a conflict between the terms of the Franchise Agreement and the terms of this Build-Out Agreement, the terms of this Build-Out Agreement shall control.

15. **Effective Date.** This Build-Out Agreement shall not become effective until accepted by Franchisor as evidenced by the signing and dating of this Build-Out Agreement by an officer of Franchisor.

16. **Miscellaneous.** This Build-Out Agreement shall not be amended or changed except by written instrument signed by both parties hereto. If any provision of this Build-Out Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, then the other provisions of this Build-Out Agreement, the provision in question to any other extent, and the application thereof to any other person or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law. It is expressly understood and agreed that enforcement of the terms and conditions of this Build-Out Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the Franchisee and Franchisor, and nothing contained in this Build-Out Agreement shall give or allow any such claim or right of action by any other or third person on such Build-Out Agreement, including but not limited to the Franchisee's contractors, subcontractors, consultants, subconsultants and suppliers. It is the express intention of Franchisee and Franchisor that any person other than Franchisee receiving services or benefits under this Build-Out Agreement shall be deemed to be an incidental beneficiary only. Nothing contained in this Build-Out Agreement shall constitute, or be construed to be or to create a partnership or joint venture between Franchisee and Franchisor.

IN WITNESS WHEREOF, the parties hereto have executed this Build-Out Agreement on the date first stated above.

GOLFTEC FRANCHISING LLC

FRANCHISEE:

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

EXHIBIT C
DEVELOPMENT AGREEMENT

GOLFTEC FRANCHISING LLC
DEVELOPMENT AGREEMENT

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DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (“**Agreement**”) is made this _____ day of _____, 20____, by and between _____, a _____ limited liability company, located at _____ (the “**Franchisee**”), and **GOLFTEC FRANCHISING LLC**, a Colorado limited liability company, located at 67 Inverness Drive East, Suite A, Englewood, CO 80112 (the “**Franchisor**”).

RECITALS

A. The Franchisor has licensed methods that provide golf instruction at all experience levels, using digital video, impact analysis and motion analysis computers to measure a golfer's swing and comparing this information to a database of over 150 tour players (“**GOLFTEC Improvement Centers**” or “**Improvement Centers**”) using the trademark “GOLFTEC” and related trade names and trademarks (“**Marks**”) and the Franchisor’s licensed methods of doing business (“**Licensed Methods**”).

B. The Franchisee would like to use the Franchisor’s Marks and Licensed Methods in connection with the development of a certain number of Improvement Centers in a specific geographical area as stated herein. The Franchisor desires to grant the Franchisee the right to establish and operate such Improvement Centers under the terms and conditions which are contained in this Agreement.

The parties therefore agree as follows:

1. GRANT OF DEVELOPMENT RIGHTS

1.1 The Franchisor grants to the Franchisee the right to develop and establish Improvement Centers using the Marks and Licensed Methods in the geographic area described in Exhibit A attached hereto (the “**Development Area**”).

1.2 Subject to the reservation of rights below, the Franchisor shall not establish, nor shall it license any other party to establish, Improvement Centers using the Marks and Licensed Methods anywhere within the Development Area for so long as this Agreement is in effect.

1.3 The Franchisee acknowledges that the rights granted in this Agreement are non-exclusive and that the Franchisor and its affiliates, as applicable, retain the rights, among others:

a. to use and to license others to use, the Marks and Licensed Methods in connection with the operation of a GOLFTEC Improvement Center, at any location, other than within the Development Area;

b. to use the Marks at any location within and outside of the Development Area to identify, offer and sell services and products other than those which the Franchisee sells; to promote and market GOLFTEC Improvement Centers and related services and merchandise; to provide golf instruction services using the Licensed Methods off-site from an Improvement Center and to identify, offer and sell services and products similar to those which the Franchisee will sell, but made available through alternative channels of distribution other than through GOLFTEC Improvement Centers, including but not limited to, by way of Internet or other electronic communications methods;

c. to solicit, coordinate and provide, and to license others to solicit, coordinate and provide, corporate entertainment and events services using the Marks and Licensed Methods not conducted at any Improvement Center but rather in conjunction with and at corporate or trade association conventions,

trade shows or other organization gatherings, wherever located, whether within or outside of the Development Area;

d. to contract with and locate GOLFTEC Improvement Centers at National Account locations, including within the Development Area; and

e. to use and license the use of other proprietary marks or methods in connection with the sale of products and services similar to those which the Franchisee sells, whether in alternative channels of distribution or in connection with the operation of businesses which sell golf instruction or golf merchandise, which businesses are the same as, or similar to, or different from GOLFTEC Improvement Centers, at any location including within the Development Area, and on any terms and conditions as the Franchisor determines.

1.4 The parties acknowledge that the GOLFTEC Franchise Agreement, attached hereto as Exhibit B and by this reference incorporated herein, governing the operation of the Franchisee's first Improvement Center to be opened hereunder, is being executed concurrently with this Agreement. The Franchisee agrees to comply with the terms and conditions of the Franchise Agreement as a part of its obligations hereunder and acknowledges that failure to execute and comply with such Franchise Agreement is a breach of this Agreement.

2. INITIAL FRANCHISE FEES

2.1. Concurrently with the execution of this Agreement, the Franchisor acknowledges that in consideration of the development rights granted herein, the Franchisee has paid the sum as identified on Exhibit A, representing payment in full of the initial franchise fee for the first Improvement Center to be developed hereunder, plus \$10,000 of the initial franchise fee for the last Improvement Center to be developed under Section 3.1 below, if applicable. The Franchisee shall pay to the Franchisor \$10,000 of the initial franchise fee for each of the remaining Improvement Centers to be developed, except the last Improvement Center, the earlier of (1) the date on which the Franchise Agreement for that Improvement Center is to be executed; or (2) January 31st of the calendar year stated in Section 3.1 of this Agreement which corresponds to the deadline to develop the Improvement Center. The Franchisor will credit the \$10,000 payment attributable to each remaining Improvement Center to be developed under this Agreement to the initial franchise fee due under the Franchise Agreement for such Improvement Center. The balance of the initial franchise fees for the second and subsequent Improvement Centers to be developed will be due at the earlier of (1) the date stated in Section 3.1 of this Agreement which is the deadline for development of that particular Improvement Center; or (2) the date which the Franchisee signs the Franchise Agreement for the Improvement Center to be developed. All fees hereunder are nonrefundable once paid to the Franchisor and under no circumstances will the Franchisee be entitled to a refund, return or rebate of any portion of initial franchise fees paid hereunder.

3. DEVELOPMENT OBLIGATIONS

3.1 The Franchisee agrees to develop and open for business the following number of Improvement Centers in the Development Area, in accordance with the following schedule:

Number of Months After Date of This Agreement	Total Minimum Number of Improvement Centers Opened for Business

3.2 In addition to the Franchisee's obligation to develop Improvement Centers in the Development Area in accordance with the schedule stated in Section 3.1 above, the Franchisor and the Franchisee agree to review, after the deadline described in Exhibit A attached hereto ("**Additional Development Review Deadline**"), the Franchisee's development obligations hereunder and, based upon the results of such review, the Franchisor and the Franchisee may mutually agree, in their reasonable discretion, or the Franchisor may determine, in its reasonable discretion, based on analysis of the Development Area and the number of Improvement Centers necessary to adequately serve the clients and potential clients in the Development Area, to increase the number of Improvement Centers to be developed by the Franchisee hereunder during the term of this Agreement. In the event of any adjustment to the Franchisee's development obligations pursuant to the preceding clause, the Franchisee's development obligations pursuant to Section 3.1 of this Agreement will be adjusted to require development of the first additional Improvement Center within 180 days of receipt of the notice described below in this Section 3.2. In the event the parties utilize a real estate or other consultant to assist with the analysis of the Development Area to determine the number of Improvement Centers to adequately serve the customers and potential customers in the Development Area, or the Franchisor and the Franchisee require arbitration to resolve any disputes under this Section 3.2, all costs and expenses relating thereto, irrespective of the outcome of any arbitration proceeding, shall be shared equally by the Franchisor and the Franchisee. For each additional Improvement Center to be developed by the Franchisee pursuant to this Section 3.2, the Franchisor shall provide written notice to the Franchisee that additional development is required which notice shall include: (a) the Franchisor's then current Disclosure Document, or the Franchisor shall otherwise comply with the then applicable laws and regulations regarding the sale of a franchise, and (b) execution copies of the then current Franchise Agreement and other agreements. See Section 3.6 below regarding the form of Franchise Agreement. Within 60 days of receipt of the Franchisor's notice (but no earlier than 10 business days, or other applicable compliance period, after receipt of the notice), the Franchisee shall execute and return to the Franchisor the enclosed Franchise Agreement and other agreements and pay the then current initial franchise fee.

3.3 In the event the Franchisee desires to extend the deadlines in the development obligations under Section 3.1 of this Agreement, and as such development obligations may be expanded pursuant to Section 3.2 of this Agreement, the Franchisee shall obtain the Franchisor's prior written consent to the extension, which consent may be withheld in the Franchisor's sole discretion. Consent to the extension of the deadlines shall not be granted if any balance of the initial franchise fees payable under Section 2.1 then due have not been timely paid. In the event the Franchisee obtains the Franchisor's prior written consent to extend the deadlines, the Franchisee shall be obligated to pay to the franchisor a fee of up to \$1,000 per month multiplied by the number of remaining undeveloped Improvement Centers referenced in the development schedule ("**Development Schedule Extension Fee**"). The Development Schedule Extension

Fee must be received by the Franchisor no later than 60 days prior to the next development deadline stated in the above schedule. The Development Schedule Extension Fee is not refundable. Upon Franchisor's receipt of the Franchisee's timely payment of the Development Schedule Extension Fee, the deadlines stated in the development schedule for each of the remaining undeveloped Centers shall be extended by that number of months for which a Development Schedule Extension Fee has been paid to the Franchisor for each Improvement Center yet to be developed, not to exceed six months. The extension of the development schedule shall be evidenced by a signed amendment to this Agreement.

3.4 The parties agree that a separate Franchise Agreement shall be executed by the parties to this Agreement for each Improvement Center to be developed under this Agreement. The Franchise Agreement for the second and subsequent Improvement Centers will be executed within 10 days after the Franchisor's approval of a location for the Improvement Center to be operated thereunder. The Franchisee's failure to execute any additional Franchise Agreements or its default in any term of such Franchise Agreements may, at the option of the Franchisor, be deemed a default under this Agreement and shall entitle the Franchisor to terminate this Agreement as further provided in Article 4 below.

3.5 The Franchisee shall not, without the prior written approval of the Franchisor, enter into any contract for the purchase or lease of any premises for use as an Improvement Center. The Franchisor will assist the Franchisee in the selection and approval of locations for its Improvement Centers in accordance with the terms and conditions of the Franchise Agreements. The Franchisee acknowledges that the Franchisor has no obligation to select or acquire a location on behalf of the Franchisee.

3.6 Each Franchise Agreement to be executed by the Franchisee for each Improvement Center to be developed hereunder shall be in the form of Franchise Agreement then generally being offered to franchisees by the Franchisor. Notwithstanding the foregoing, the Franchisor agrees that it will not charge an initial franchise fee to the Franchisee which is greater than the amounts stated herein and will not increase the royalty percentage or any advertising contributions to a rate greater than the maximum rate permitted to be charged in the Franchise Agreement being executed herewith. The Franchisee acknowledges that the Franchisor has the right, however, to charge then current published rates for required products and services, advertising contributions and optional products and services offered to the Franchisee.

3.7 The Franchisee acknowledges that the Franchisor shall have the right, at the Franchisor's sole discretion, to waive the initial training program, which is the same as or similar to the training provided under Section 6.2 of the Franchise Agreement executed concurrently herewith, for the second and each subsequent Improvement Center developed under the terms of this Agreement. The Franchisee may also request additional assistance from the Franchisor in connection with site selection, site feasibility studies, lease negotiations and other issues related to development of its Development Area. If the Franchisor agrees to provide such assistance, in the Franchisor's sole discretion, the Franchisor reserves the right to charge the Franchisee for all travel, lodging, living expenses, telephone charges and other identifiable expenses incurred in connection with such assistance, plus a fee based on hourly time spent by any of the Franchisor's employees in connection with such assistance, which fee will be charged in accordance with the then current daily or hourly rates being charged by the Franchisor for assistance.

4. TERM AND TERMINATION

4.1 The term of this Agreement is for a period of 10 years from the date of this Agreement, unless sooner terminated as provided herein. After expiration of the term, or earlier termination of this Agreement as provided below, the Franchisor shall have the right to establish, or license any other party to establish Improvement Centers anywhere within the Development Area; provided, however, that the Franchisee's Protected Territory as defined in the Franchise Agreement(s) executed hereunder will remain in effect for the term of the Franchise Agreement(s), unless sooner terminated.

4.2 This Agreement may be terminated by the Franchisee for any reason upon 60 days prior written notice to the Franchisor. The Franchisee will not be entitled to a refund of any fees paid hereunder under any circumstances.

4.3 This Agreement may be terminated by the Franchisor on 30 days prior written notice, such notice containing a right to cure such default, if applicable, in the event of any of the following:

a. If the Franchisee defaults on any term or condition of this Agreement; including without limitation, failure to develop in accordance with the schedule stated in Section 3.1 and failure to develop additional Improvement Centers in the Development Area in accordance with Section 3.2 above; or

b. Any occurrence which would entitle the Franchisor to terminate any Franchise Agreement executed in furtherance of this Agreement.

This Agreement shall automatically terminate at the end of such 30-day notice period, unless the Franchisee cures the default stated in such notice within said 30 day period.

4.4 In the event of termination of this Agreement for any reason, the Franchisee shall remain subject to the provisions of Article 6 of this Agreement regarding nondisclosure and covenants not to compete, in addition to the terms and conditions of any and all Franchise Agreements executed in furtherance of this Agreement which have not also been terminated.

5. ASSIGNMENT

5.1 The Franchisor may transfer or assign its rights under this Agreement at any time upon notice to the Franchisee, provided that the Franchisor has fulfilled its obligations hereunder or has made adequate provisions therefor.

5.2 Because the rights granted herein are personal to the Franchisee, the Franchisee shall not transfer, assign or convey this Agreement or any interest hereunder or any interest in the Franchisee entity without the Franchisor's prior written consent which consent shall not be unreasonably withheld. The Franchisee is prohibited from granting a sub franchise hereunder. Transfer, assign or convey shall include a transfer, assignment or conveyance resulting from a divorce, insolvency, corporate or partnership or limited liability company dissolution proceeding or otherwise by operation of law or, in the event of the death of the Franchisee, or an owner of the Franchisee by will, declaration of or transfer in trust or under the laws of intestate succession. In addition to any conditions contained in this Agreement, the conditions for the Franchisor's approval of any transfer shall be the same as the conditions contained in the Franchise Agreement most recently executed by the Franchisor and the Franchisee, which provisions shall be deemed to be incorporated herein by reference.

5.3 In the event of any proposed sale, transfer or assignment by the Franchisee as described herein, the Franchisee and/or the proposed transferee shall pay to the Franchisor the standard transfer fee for each franchise to be transferred, as governed by the applicable Franchise Agreement executed pursuant to this Agreement, plus \$5,000 for every undeveloped franchise right for which no Franchise Agreement has been executed.

5.4 In the event of any proposed sale, transfer or assignment of its rights under this Agreement or any interest in it or any part of the Franchisee entity, the Franchisee agrees to grant the Franchisor a 30 day right of first refusal to purchase such rights or assets on the same terms and conditions as are contained in the most recently executed Franchise Agreement.

6. RESTRICTIVE COVENANTS

6.1 During the term and after the termination of this Agreement or any Franchise Agreement signed in furtherance of this Agreement, for the protection of our trade secrets, intellectual property, Technology Systems, Licensed Methods, proprietary and confidential information, and other protectable interests, the Franchisee and its officers, partners, directors, agents or employees who have completed the Franchisor's training programs or had access to the Operations Manual, as described in the Franchise Agreement, and/or the beneficial owners of a five percent or greater interest in the Franchisee and their respective immediate families, shall be subject to all restrictive covenants as stated in the Franchise Agreement executed concurrently herewith, and in any nondisclosure and noncompetition agreements executed by the Franchisee or its employees, owners, managers, members, partners, officers, directors, agents or representatives, which covenants by this reference are incorporated herein.

7. BUSINESS RELATIONSHIPS

7.1 During the term of this Agreement, the Franchisee shall be an independent contractor and shall in no way be considered as an agent, partner or employee of the Franchisor. It is understood and agreed that no agency or partnership is created by this Agreement. As such, the Franchisee has no authority of any nature whatsoever to bind the Franchisor or incur any liability for or on behalf of the Franchisor or to represent itself as anything other than an independent contractor.

7.2 The Franchisee shall indemnify and hold harmless the Franchisor and its officers, directors, agents and representatives from all fines, suits, proceedings, claims, demands or actions of any kind or nature, including reasonable attorneys' fees, from anyone whomsoever, arising or growing out of, or otherwise connected with the Franchisee's operation of its Improvement Center(s).

8. MISCELLANEOUS

8.1 The parties agree that any dispute between the parties arising out of the terms of this Agreement shall be governed by the applicable provisions of the Franchise Agreement executed concurrently herewith including the choice of law and venue provisions, which terms and conditions are by this reference incorporated herein.

8.2 This Agreement shall be binding upon and inure to the benefit of each of the parties' respective heirs, successors, assigns and personal representatives.

8.3 The Franchisee acknowledges that it had a copy of this Agreement in its possession for a period of time not fewer than 14 calendar days, during which time the Franchisee has had the opportunity to submit the same for professional review and advice of the Franchisee's choosing prior to freely executing this Agreement.

8.4 No waiver of any condition or covenant contained in this Agreement or failure to exercise a right or remedy by any party hereto shall be considered to imply or constitute a further waiver of the same or any other condition, covenant, right or remedy.

8.5 This Agreement may be modified only upon execution of a written agreement between the parties.

8.6 This Agreement contains the entire agreement between the parties and supersedes any and all prior agreements, both oral and written, concerning the subject matter hereof, provided that any Franchise Agreement executed by the parties hereto shall remain binding, except representations made in

the most recent disclosure document provided by the Franchisor to the Franchisee and except to the extent that this Agreement specifically supersedes any terms thereof.

8.7 If any provision of this Agreement is held invalid by any court of competent jurisdiction in a final decision from which no appeal is or can be taken, such provision shall be deemed modified to eliminate the invalid element and, as so modified, such provision shall be deemed a part of this Agreement as though originally included. The remaining provisions of this Agreement shall not be affected by such modification.

8.8 All notices required to be given under this Agreement shall be given in writing, by certified mail, return receipt requested, or by an overnight delivery service providing documentation of receipt, at the addresses first stated above, or at such other address as either party may designate from time to time by written notice as stated herein. Notice shall be deemed effective when deposited in the United States mail postage prepaid or when received by overnight delivery, as may be applicable.

8.9 In the event of any conflict between the terms of this Agreement and the terms of the Franchise Agreement, the terms of this Agreement shall control.

8.10 In the event of any default on the part of either party to this Agreement, in addition to all other remedies, the party in default will pay the aggrieved party all amounts due and all damages, costs and expenses, including reasonable attorneys' fees, incurred by the aggrieved party in any legal action, arbitration or other proceeding as a result of such default, plus interest at the highest rate allowable by law, accruing from the date of such default.

8.11 Nothing herein shall prevent the Franchisor or the Franchisee from seeking injunctive relief to prevent irreparable harm, in addition to all other remedies.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed effective as of the date first above written.

GOLFTEC FRANCHISING LLC

Date: _____

By: _____
Name: _____
Title: _____

FRANCHISEE:

Date: _____

Individually

Print Name

OR (if corporation, LLC or partnership)

(Print Company Name)

Date: _____

By: _____
Name: _____
Title: _____

EXHIBIT A
TO DEVELOPMENT AGREEMENT
BETWEEN GOLFTEC FRANCHISING LLC
AND

1. The Development Area, as referred to in Section 1.1 of the Development Agreement, is described below by geographic boundaries and on the attached map and shall consist of the following area or areas:

2. The Additional Development Review Deadline referred to in Section 3.2 of the Development Agreement shall be the third-year anniversary of the date of the Development Agreement and every three years thereafter.

3. The total sum of \$_____ was received by the Franchisor from the Franchisee for the development of the first Improvement Center.

EXHIBIT B
TO DEVELOPMENT AGREEMENT
BETWEEN GOLFTEC FRANCHISING LLC
AND

Executed Franchise Agreement

EXHIBIT D

COLLATERAL ASSIGNMENT OF LEASE

COLLATERAL ASSIGNMENT OF LEASE

THIS COLLATERAL ASSIGNMENT OF LEASE (“**Assignment**”) is made as of this ____ day of _____, 20__ by and between _____, a _____ (“**Assignor**”), GOLFTEC FRANCHISING LLC, a Colorado limited liability company (“**Assignee**”) and _____, a _____ (“**Landlord**”).

WHEREAS, Assignor is a tenant (“**Tenant**”) of certain property generally known as _____, located in the City of _____, State of _____ (“**Property**”), pursuant to a lease by and between Landlord and Assignor, dated _____, 20__ (the “**Lease**”);

WHEREAS, Assignor desires to operate a GOLFTEC Improvement Center under a certain franchise agreement between Assignor and Assignee (the “**Franchise Agreement**”); and

WHEREAS, as a condition to the grant of rights under the Franchise Agreement to Assignor, Assignee requires that Assignor enter into this Assignment.

NOW, THEREFORE, for and in consideration of the sum of Five Dollars and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Assignor hereby assigns all of its right, title and interest in and to the Lease and the GOLFTEC Improvement Center to Assignee.

2. With the exception of Assignee's rights under paragraph 3 below and Assignor's and Landlord's respective obligations, representations and covenants under paragraphs 3, 4, 8, 9 and 10 below, the Collateral Assignment of Lease contemplated hereunder is expressly conditioned upon, and shall not be effective and Assignee shall have no right to pursue any remedy hereunder unless and until:

(a) Default by Assignor under the terms of the Lease, which default (i) is not cured by Assignor within the time limits provided therein or (ii) results in a demand for performance by Assignee as surety for or under any guaranty of the Lease; or

(b) Default by Assignor under the terms of the Franchise Agreement or under any document or instrument securing the Franchise Agreement, which default is not cured by Assignor within the time limits provided therein; or

(c) Voluntary institution of any insolvency or bankruptcy proceedings as a debtor or involuntary insolvency or bankruptcy proceedings brought against Assignor which are not dismissed within 60 days of the filing thereof; or

(d) Discontinuation by the Assignor of operation of a GOLFTEC Improvement Center on the Property, whether voluntarily or involuntarily; or

(e) Nonrenewal by Assignor of the Franchise Agreement; or

(f) Nonrenewal by Assignor of the Lease.

3. During the term of the Lease, Landlord agrees to give Assignee written notice of all defaults of Assignor concurrently with the giving of such notice to Assignor. Landlord further agrees to give

Assignee a 30-day period to cure such default, or the period provided to the Assignor in the Lease, whichever period shall be longer.

4. In the event Assignee expends sums to cure a default, Assignor shall promptly reimburse Assignee for the cost incurred by Assignee in connection with such performance, together with interest thereon at the rate of 1½% per month, or the highest rate allowed by law. Nothing herein shall obligate Assignee to cure any such default, unless Assignee elects to assume the Lease pursuant to Section 5 below.

5. The date upon which the assignment contemplated by this Assignment shall be effective (the “**Effective Date**”), is the date upon which Landlord and Assignor receive written notice from Assignee that:

(d) Assignee will cure all prior defaults of Assignor in the Lease for which Landlord has given notice to Assignee pursuant to the provisions of paragraph 3 above; and

(e) The events described in either subsections 2(b), 2(c), 2(d) or 2(e) above have occurred and that Assignee will assume the Lease.

6. As of the Effective Date, Assignee will assume all rights, duties, responsibilities and obligations of Assignor arising on or after the Effective Date pursuant to the terms and provisions of the Lease.

7. Landlord hereby consents to the terms and provisions of this Assignment, and to the assignment of the Lease to Assignee. Landlord agrees that after the Effective Date, Assignee may (i) enter into a sublease or assignment with any GOLFTEC Improvement Center franchisee without Landlord’s further consent, or (ii) further assign the Lease to a person, firm or corporation who shall agree to assume the tenant’s obligations under the Lease and who is reasonably acceptable to Landlord. Landlord further agrees that upon the occurrence of any such assignment, Assignee shall have no further liability or obligation under the Lease as Assignee, tenant or otherwise, and that concurrent with such assignment, Landlord will enter into a replacement Collateral Assignment of Lease Agreement by and between Assignee and the new tenant.

8. Assignor agrees to indemnify and hold harmless Assignee from any loss, liability, cost or expense incurred or suffered by Assignee under this Assignment.

9. Assignor and Landlord agree not to allow any surrender, amendment, modification or termination of the Lease without the prior written consent of Assignee. Throughout the term of the Lease, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than 30 days prior to the last day said option must be exercised, unless Assignee otherwise agrees in writing. Upon Assignee’s failure otherwise to agree in writing, and upon the failure of Assignor to elect to extend or renew the Lease, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such extension or renewal option in the name, place and stead of Assignor for the sole purpose of effecting such extension or renewal.

10. Assignor represents and warrants to Assignee that it has the full power and authority to assign the Lease and its interests therein and that Assignor has not previously assigned, transferred or pledged, and is not otherwise obligated to assign, transfer or pledge, any of its interests in the Lease or the leasehold estate created thereby.

11. All notices or demands required hereunder shall be made in writing and shall be deemed to be fully given when deposited in the U.S. certified mail, postage prepaid, return receipt requested or when sent Federal Express or similar overnight courier to:

Assignee:

GOLFTEC FRANCHISING LLC
67 Inverness Drive East, Suite A
Englewood, Colorado 80112

Assignor:

Landlord:

12. Should any one or more of the provisions hereof be determined to be illegal or unenforceable, all other provisions hereof shall be given effect separately therefrom and shall not be affected thereby.

13. This Collateral Assignment may be signed and transmitted in counterpart, via facsimile, electronically, as a scanned or imaged document attached to an email or online or otherwise, any of which shall have the same effect as the originals, but all of which, when taken together, to constitute one and the same instrument and shall be deemed to have the same binding and legally enforceable effect as if the document contained an original signature.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment on the day and year first above written.

WITNESS/ATTEST:

ASSIGNOR:

By: _____
Name: _____
Title: _____
Date: _____

WITNESS/ATTEST:

WITNESS/ATTEST:

ASSIGNEE:

GOLFTEC FRANCHISING LLC

By: _____

Name: _____

Title: _____

Date: _____

LANDLORD:

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT E

**LIST OF AFFILIATE-OWNED AND FRANCHISEE-OWNED
IMPROVEMENT CENTERS**

AFFILIATE-OWNED IMPROVEMENT CENTERS

ALABAMA

GOLFTEC- Birmingham
3439 Colonnade Pkwy #D28
Birmingham, AL 35243
PH: 205-991-1762

GOLFTEC- Huntsville
1115 McMurtie Drive NW
Huntsville, AL 35806
PH: 256-4693799

ARKANSAS

GOLFTEC – Bentonville
500 SE Walton Blvd #14
Bentonville, AR 72712
PH: 479-326-8163

GOLFTEC – Little Rock
17801 Chenal Parkway
Suite B & C
Little Rock, AR 72223
PH: [877-446-5383](tel:877-446-5383)

ARIZONA

GOLFTEC – Chandler
7131 W. Ray Road
Chandler, AZ 85226
PH: 480-893-9029

GOLFTEC – Arrowhead
20229 North 67th Ave
Suite C-4
Glendale, AZ 85308
PH: 602-288-5180

GOLFTEC – Biltmore
3136 E. Indian School Road
Phoenix, AZ 85016
PH: 480-405-9951

GOLFTEC – N. Scottsdale
23417 N. Pima Road #B161
Scottsdale, AZ 85255
PH: 480-565-8730

**GOLFTEC – Shea
Scottsdale**
7342 E. Shea Blvd., Suite 106
Scottsdale, AZ 85260

PH: 480-336-1228

GOLFTEC – Tempe
2010 E. Rio Salado Pkwy

Suite 118
Tempe, AZ 85281
PH: 480-33-0127

GOLFTEC – Tucson
3122 N. Campbell
Tucson, AZ 85719
PH: 520-887-4653

CALIFORNIA

GOLFTEC – Brea
910 Birch St., Ste 225
Brea, CA 92821
PH: 714-255-9667

GOLFTEC- Colma
53 Colma Blvd, Suite A
Colma, CA 94014
PH: 650-488-7074

GOLFTEC – El Segundo
630 N. Sepulveda #13
El Segundo, CA 90245
PH: 310-640-7888

**GOLFTEC – Encinitas
Ranch**
1275 Quail Gardens Dr.
Encinitas, CA 92024
PH: 760-208-1400

GOLFTEC – Folsom
2795 East Bidwell
Suite 200
Folsom, CA 95630

GOLFTEC – Foster City
1031 East Hillsdale Blvd., Ste
D
Foster City, CA
PH: 650-595-4653

**GOLFTEC – Huntington
Beach**

15811 Graham St. Huntington Beach, CA
92649 PH: 714-841-9608

GOLFTEC – La Quinta
80150 CA-111 Suite A-2
Indio, CA 92201
PH: 760-324-9000

GOLFTEC - Irvine
18021 Sky Park Circle
Bldg 68, Suite E1
Irvine, CA 92614
PH: 949-724-9081

GOLFTEC – West LA
3130 S. Sepulveda Blvd
Suite C
Los Angeles, CA 90034
PH: 310-356-0215

GOLFTEC – Mission Viejo
28892 Marguerite Pkwy
Mission Viejo, CA 92692
PH: 949-245-7184

GOLFTEC - Oxnard
2100 Outlet Center Dr.
Suite B-330
Oxnard, CA 93036
PH: 805-983-1600

GOLFTEC - Pasadena
709 East Walnut St. #101
Pasadena, CA 91101
PH: 626-356-0215

GOLFTEC - Pleasanton
4247 Rosewood Dr. Ste 16
Pleasanton, CA 94588
PH: 925-225-0444

GOLFTEC – Roseville
10529 Fairway Dr, Ste 190
Roseville, CA 95678
PH: 916-626-5566

GOLFTEC – Mission Valley
7510 Hazard Center Drive
Suite 417
San Diego, CA 92108
PH: 619-535-2294

GOLFTEC – SORRENTO VALLEY
9450 Scranton Rd. Suite 109
San Diego, CA 92121
PH – 858-228-5228

GOLFTEC – Rancho Bernardo
16779 Bernardo Center
San Diego, CA 92128
PH: 858-432-7200

GOLFTEC - San Jose
5124 Stevens Creek Blvd.
Suite 10
San Jose, CA 95129
PH: 408-243-4653

GOLFTEC – Santa Monica
918 Colorado Ave.
Santa Monica, CA 90404
PH: 310-458-2636

GOLFTEC – Studio City
12741 Venture Blvd., 1/2
Studio City, CA 91604
PH: 818-408-6456

GOLFTEC – South Bay
22750 Hawthorne Blvd.
Torrance, CA 90505
PH: 310-378-7676

GOLFTEC – Upland
316 S. Mountain Ave.
Upland, CA 91786
PH: 909-987-1141

GOLFTEC – Walnut Creek
1651 Botelho Dr. Ste 100
Walnut Creek, CA 94596
PH: 925-264-5047

GOLFTEC – Woodland Hills
21015 Oxnard St
Woodland Hills, CA 91367
PH: 818-883-7712

COLORADO

GOLFTEC – Centennial
Family Sports Center
6901 S. Peoria St.
Centennial, CO 80112
PH: 303-223-2341

GOLFTEC – Chapel Hills
1741 Briargate Blvd.
Colorado Springs, CO 80920
PH: 719-219-3095

GOLFTEC - Cherry Creek
3773 Cherry Creek Dr No.
#130
Denver, CO 80206
PH: 303-388-4832

GOLFTEC – DTC
8000 E. Quincy Ave. Suite 200
Denver, CO 80237
PH: 303-770-5951

GOLFTEC - Park Meadows
9657 E. County Line Road
Englewood, CO 80112
PH: 720-324-2800

GOLFTEC – Fort Collins
4700 McMurray Ave., Ste 108
Fort Collins, CO 80525
PH: 970-692-5270

GOLFTEC – Highlands Ranch
2030 E. County Line Rd, Ste L
Highlands Ranch, CO 80126
PH: 303-858-8280

GOLFTEC – Westminster
1885 W. 120th Avenue
Westminster, CO 80234
PH: 303-426-6600

CONNECTICUT

GOLFTEC – STAMFORD
850 Canal Street, Ste 1C
Stamford, CT 06902
PH: 203-989-2706

GOLFTEC – Trumbull
6540 Main St., Ste. 3B
Trumbull, CT 06611
PH: 203-220-2052

GOLFTEC – Westport
877 Post Rd. East, Unit 5
Westport, CT 06880
PH: 475-666-5754

FLORIDA

GOLFTEC – Boca Raton
7134 Beracasa Way
Boca Raton, FL 33433
PH: 561-483-4180

GOLFTEC – Clearwater
23894 US Hwy 19 N #20
Clearwater, FL 33765
PH: 727-797-2138

GOLFTEC – Ft. Lauderdale
1489 SE 17th St, Suite 2B
Ft. Lauderdale, FL 33316
PH: 954-920-6811

GOLFTEC – Fort Myers
14261 S. Tamiami Trail, #7
Fort Myers, FL 33912
PH: 239-628-1653

GOLFTEC – Jacksonville
4372 Southside Blvd., #306
Jacksonville, FL 32216
PH: 904-998-4650

GOLFTEC – Maitland
400 N. Orlando Ave.
Maitland, FL 32751
PH: 407-869-0105

GOLFTEC – Miramar
12128 Miramar Parkway
Miramar, FL 33025
PH: 954-869-2001

GOLFTEC – Naples Walk
2464 Vanderbilt Beach Rd,
#510.
Naples, FL 34109
PH: 239-514-4653

GOLFTEC – North Miami Beach
14761 Biscayne Blvd.
North Miami Beach, FL
33181
PH: 786-891-4779

GOLFTEC - Millenia
4201 Vineland Road, Ste. I10
Orlando, FL 32811
PH: 407-370-2755

GOLFTEC – Lake Nona
9985 Tagore Place Ste. 2
Orlando, FL 32827
PH: 321-346-4511

GOLFTEC –Palm Beach Gardens
11320 Legacy Ave. Ste G-120
Palm Beach Gardens, FL
33410
PH: 561-683-3667

GOLFTEC – Sarasota
6249 Lake Osprey Dr.
Sarasota, FL 34240
PH: 941-926-6025

GOLFTEC – St. Petersburg
8808 4th St. North
St. Petersburg, FL 33702
727-289-0032

GOLFTEC – Westshore
4142 Boy Scout Blvd.
Tampa, FL 33607
PH: 813-202-8516

GOLFTEC – Carrollwood
13152 N. Dale Mabry Hwy.
Tampa, FL 33618
PH: 813-962-8060

GOLFTEC - New Tampa
18047 Highwoods Preserve
Pkwy
Tampa, FL 33647
PH: 813-608-0283

GEORGIA

GOLFTEC – Buckhead
3145 Peachtree Road #133
Atlanta, GA 30305
PH: 404-467-8884

GOLFTEC – Midtown Atlanta
699 Spring St NW
Suite 400&500
Atlanta, GA 30308
PH: [\(470\) 298-7091](tel:470-298-7091)

GOLFTEC – Alpharetta
13095 Highway 9 N
Milton, GA 30004
PH: 470-622-2770

GOLFTEC – Sandy Springs
6329 Roswell Road
Sandy Springs, GA 30328
PH: 770-741-0040

GOLFTEC – Fox Creek
1501 Windy Hill Road SE, Ste
B
Smyrna, GA 30080
PH: 678-701-1802

ILLINOIS

GOLFTEC – Halsted Row
2847 North Halsted
Chicago, IL 60614
PH: 773-755-4653

GOLFTEC – Deerfield
360 S. Waukegan Rd, #B-2
Deerfield, IL 60015
PH: 224-330-4020

GOLFTEC – Des Plaines
Inside The Golf Center
353 N. River Road
Des Plaines, IL 60016-1219

PH: 847-229-5431

GOLFTEC – Geneva
1492 South Randall Rd. Ste. H
Geneva, IL 60134
PH: 331-248-9017

GOLFTEC – Naperville
1504 N. Naper Blvd, Ste 132
Naperville, IL 60563
PH: 630-579-9390

GOLFTEC - Oak Brook
3011 Butterfield Rd. #290
Oak Brook, IL 60523
PH: 630-396-2020

GOLFTEC – Orland Park
9559 W. 151st St. #5C
Orland Park, IL 60462
PH: 708-304-4871

GOLFTEC – SCHAUMBURG
1326 N. Roselle Road, Ste. B
Schaumburg, IL 60195
PH: 224-353-4100

GOLFTEC – Vernon Hills
701 N Milwaukee Ave, #116
Vernon Hills, IL 60061
PH: 847-327-0605

IOWA

GOLFTEC – Country Club Village
12951 University Ave., #110
Clive, IA 50325
PH: 515-440-4653

KANSAS

GOLFTEC – KCK
3944 Rainbow Blvd.
Kansas City, KS 66103
PH: [913-221-0394](tel:913-221-0394)

GOLFTEC – Overland Park
8901 W. 95th Street
Overland Park, KS 66212

PH: 913-642-8881

GOLFTEC – Wichita

3101 N. Rock Rd., Suite 155
Wichita, KS 97216
PH : 316-295-4681

KENTUCKY

GOLFTEC – Louisville

102 Vieux Carre Drive
Louisville, KY 40223
PH: 502-426-4314

MARYLAND

GOLFTEC – Annapolis

2101 Somerville Rd, Suite 114
Annapolis, MD 21401
PH: 667-458-7672

GOLFTEC – Ellicott City

5725 Richards Valley Rd, #A-5
Ellicott City, MD 21042
PH: 410-505-0208

GOLFTEC - Gaithersburg

9318 Gaither Road, #225
Gaithersburg, MD 20877
PH: 240-654-0796

GOLFTEC – North Bethesda

5050-B Nicholson Lane
North Bethesda, MD 20852
PH: 240-715-0291

GOLFTEC – Pikesville

1848 Reisterstown Rd.
Suite D
Pikesville, MD 21208
PH: 443-438-1084

GOLFTEC – Timonium

2141 York Road
Timonium, MD 21093
PH: 443-345-5118

MASSACHUSETTS

GOLFTEC – Burlington

34 Cambridge St, Space 90

Burlington, MA 01803

PH: 781-494-4111

GOLFTEC – Natick

1400 Worcester St.
Natick, MA 01760
PH:508-720-0733

GOLFTEC – Needham

19 Wexford St.
Needham, MA 02494
PH: 781-449-8222

GOLFTEC – Danvers

194 Newbury St., Ste 2
Peabody, MA 01960
PH: 978-777-2930

GOLFTEC – Waltham

99 3rd Ave.
Waltham, MA 02451
PH: 781-373-7503

MICHIGAN

GOLFTEC – Grand Rapids

2121 Celebration Drive NE
Suite 150
Grand Rapids, MI 49525
PH: 616-228-9034

GOLFTEC – GRANDVILLE

4500 Ivanrest Ave. SW
Grandville, MI 49418
PH: 616-330-1013

GOLFTEC - Lakeside

15635 Hall Road
Macomb, MI 48044
PH: 586-566-7961

GOLFTEC – Novi

26056 Ingersol Drive
Novi, MI 48375
PH: 248-429-1600

GOLFTEC - Troy

3271 Rochester Road
Troy, MI 48083
PH: 248-689-4653

MINNESOTA

GOLFTEC – Bunker Hills

12800 Bunker Prairie Dr.
Coon Rapids, MN 55448
PH: 612-424-9251

GOLFTEC – Eagan

845 Vikings Pkwy, Ste. C
Eagan, MN 55121
PH: 952-223-6258

GOLFTEC – Eden Prairie

Lariat Office Center
12200 Middleset Rd., #400
Eden Prairie, MN 55344
PH: 651-925-3191

GOLFTEC - Minnetonka

187 Cheshire Lane, Unit 800
Plymouth, MN 55441
PH: 952-546-1423

GOLFTEC - Roseville

2575 Fairview Ave N., Suite 210
Roseville, MN 55113
PH: 651-697-4015

MISSOURI

GOLFTEC – Chesterfield

Clock Tower Plaza
148 Chesterfield Commons E.
Rd.
Chesterfield, MO 63005
PH: 416-721-4653

GOLFTEC – Lee’s Summit

340 SW Blue Pkwy 3340 Lee’s
Summit, MO 64063 PH: 816-521-6360

GOLFTEC – Clayton

8857 Ladue Rd, Ste C
St. Louis, MO 63124
PH: 314-721-4653

NEVADA

GOLFTEC – Henderson

1570 Horizon Ridge Pkwy.

Henderson, NV 89012
PH: 702-834-6370

GOLFTEC – Spring Valley
6255 S. Durango Dr Ste.
Suite 111-112
Las Vegas, NV 89113
PH : 702-727-3210

GOLFTEC – Northwest Las Vegas
10470 W. Cheyenne Ave.
Suite 130
Las Vegas, NV 89129
PH : 702-727-3210

GOLFTEC- Reno
5009 S. McCarran Blvd.
Reno, NV 89502
PH: 775-322-4653

NEW JERSEY

GOLFTEC – East Brunswick
300 NJ-18, Unit 40
East Brunswick, NJ 08816
PH: 732-238-1419

GOLFTEC – Englewood
380 Nordoff, #160
Englewood, NJ 07631
PH: 201-567-0103

GOLFTEC – Jersey City
125 18th St. Ste. A02
Jersey City, NJ 07310
PH: 551-333-1885

GOLFTEC – Paramus
141 NJ-17S
Paramus, NJ 07625
PH: 201-345-3673

GOLFTEC – Woodbridge
465 Green St. Ste. 451
Woodbridge Township, NJ
07095
PH: 732-730-5406

NEW YORK

GOLFTEC – Carle Place
89 Westbury Ave.
Carle Place, NY 11514
PH: 516-248-4653

GOLFTEC – Huntington
839 New York Ave. Ste. B
Huntington, NY 11743
PH: 631-246-3697

GOLFTEC – Lake Grove
2626 Middle Country Rd.
Lake Grove, NY 11755
PH: 631-737-1570

GOLFTEC – Manhattan
8 E 40th Street
New York, NY 10016
PH: 917-447-3555

GOLFTEC – White Plains
190 E. Post Road, Ste. 201
White Plains, NY 10601
PH: 914-397-4820

GOLFTEC – Buffalo
5463 Sheridan Drive
Williamsville, NY 14221
PH: 716-486-3129

NORTH CAROLINA

GOLFTEC – Cary
2020 Renaissance Park Place
Cary, NC 27513
PH: 919-677-8385

GOLFTEC – Tyvola
726 Tyvola Road
Charlotte, NC 28217
PH: 704-405-1490

GOLFTEC – Ballantyne
15235 John J Delaney Dr,
Suite Q
Charlotte, NC 28277
PH: 704-583-5233

GOLFTEC – Durham
3604 Witherspoon Blvd
Suite 101
Durham, NC 27707

PH: 984-666-5947

GOLFTEC – Greensboro
3387 Battleground Ave. Unit 40
Greensboro, NC 27410
PH: 336-808-0793

GOLFTEC – Huntersville
9911 Rose Commons Dr. Ste.
F
Huntersville, NC 28078
PH: 704-313-5509

GOLFTEC – North Raleigh
8800 Harvest Oaks Dr Ste 103
Raleigh, NC 27612
PH: 919-865-2858

GOLFTEC – Winston-Salem
3382 Frontis St. Ste. C-3
Winston-Salem, NC 27103
PH: 743-215-4810

OHIO

GOLFTEC – Blue Ash
11126 Kenwood Road
Suite B
Blue Ash, OH 45242
PH: 513-469-0813

OKLAHOMA

GOLFTEC – Oklahoma City
1841 Belle Isle Blvd, Ste L2
Oklahoma City, OK
PH: 405-225-3494

GOLFTEC – Tulsa
6010 S. Memorial Drive
Tulsa, OK 74145
PH: 918-622-3968

OREGON

GOLFTEC – SE Portland
1034 SE 96th Avenue
Portland, OR 97216
PH: 503-281-1842

GOLFTEC – Beaverton
240 NW Lost Springs Terrace

Suite 36
Portland, OR 97229
PH: 503-563-3923

GOLFTEC – Tualatin

7811 SW Nyberg St.
Tualatin, OR 97062
PH: 503-612-7807

PENNSYLVANIA

GOLFTEC – Lehigh Valley

1920 Catasauqua Road
Allentown, PA 18109
PH: 610-264-3810

RHODE ISLAND

GOLFTEC – Rhode Island

10 Worthington Rd. Unit B
Cranston, RI 02910
PH: 401-649-4653

SOUTH CAROLINA

GOLFTEC – Greenville

4100 Pelham Road, Suite C
Greenville, NC 29615
PH: 864-640-8071

TENNESSEE

GOLFTEC- Brentwood

4934 Thoroughbred Lane
Brentwood, TN 37027
PH: 629-255-7040

GOLFTEC – Cool Springs

615 Bakers Bridge Rd., Ste 125
Franklin, TN 37067
PH: 615-472-9175

GOLFTEC – Memphis

5475 Poplar Ave
Suites 101&102
Memphis, TN 38119
PH: 901-463-2294

GOLFTEC – Nashville West

6800 Charlotte Pike Ste 104

Nashville, TN 37209
PH: 615-696-6690

TEXAS

GOLFTEC - North Dallas

5290 Belt Line Rd. Ste 122
Addison, TX 75254
PH: 972-239-4700

GOLFTEC – Allen

977 TX -121
Suite 140
Allen, TX 75013
PH: [469-663-0015](tel:469-663-0015)

GOLFTEC – College Station

[1505 University Drive East Ste. 410
College Station, TX 77840
PH: 979-426-0997](tel:979-426-0997)

GOLFTEC – The Woodlands

27510 Interstate 45 North,
Suite 31
Conroe, TX 77385
PH: 281-419-6110

GOLFTEC – Cypress

27002 Northwest Frwy, Ste 120
Cypress, TX 77433
[PH: 346- 666-7005](tel:346-666-7005)

GOLFTEC – Park Cities

5400 East Mockingbird, #221
Dallas, TX 75206
PH: 469-334-0500

GOLFTEC – Montgomery Plaza

2600 W 7th St, #180
Fort Worth, TX 76107
PH: 817-524-6648

GOLFTEC - Baybrook

19074 Gulf Freeway
Friendswood, TX 77546
PH: 281-557-0015

GOLFTEC – Frisco

8549 Gaylord Parkway, Ste 104
Frisco, TX 75034
PH: 469-294-1441

GOLFTEC – Upper Kirby

E-7

5110 Buffalo Speedway
Suite 202
Houston, TX 77705
PH: 832-426-5650

GOLFTEC – Houston Heights

2799 Katy Freeway
Suite 230
Houston, TX 77007
PH: 832-915-3018

GOLFTEC – Houston Galleria

2111 W. Loop South
Suite 230
Houston, TX 77027
PH: 713-850-7555

GOLFTEC – Memorial City

10403 Katy Frwy #250
Houston, TX 77084
PH: 281-741-6778

GOLFTEC – Las Colinas

901 N. MacArthur Park Dr.
Suite 130
Irving, TX 75063
PH: 972-294-7787

GOLFTEC – Katy

20031 Katy Freeway
Katy, TX 77450
PH: 281-769-3777

GOLFTEC - Plano

340 Coit Road, Suite 600
Plano, TX 75075
PH: 972-398-8000

GOLFTEC – Southlake

2757 E. Southlake Blvd Suite 120
Southlake, TX 76092
PH: 682-651-4013

GOLFTEC – Sugar Land

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Sugar Land, TX 77479
PH: 832-384-4417

UTAH

GOLFTEC – Farmington

210 N. Union Ave

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PH: 385-243-0768

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Canyon #100

Holladay, UT 84121

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Lehi, UT 84043

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Alexandria, VA 22307

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Ste J&K

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Glenn Allen, VA 23060

PH: 804-364-2022

GOLFTEC – Herndon

2437 Centreville Road, Ste E-1

Herndon, VA 20171

PH: 571-526-5496

GOLFTEC – Tysons Corner

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McLean, VA 22102

PH: 703-942-5000

GOLFTEC – Midlothian

11615 Midlothian Turnpike

Midlothian, VA 23113

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106

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PH: 509-508-3778

GOLFTEC – Lynnwood

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Lynnwood, WA 98036

PH: 425-412-3999

GOLFTEC – So Lake Union

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Seattle, WA 98109

PH: 206-357-6885

GOLFTEC – Spokane

1207 N. Washington St. #2

Spokane, WA 99201

PH: 509-464-6707

GOLFTEC – Tacoma

3815 S. Steele St.

Suite H

Tacoma, WA 98409

PH: 253-203-6075

GOLFTEC – Southcenter

406 Baker Blvd.

Tukwila, WA 98188

PH: 206-577-3500

**GOLFTEC FRANCHISEE-OWNED
IMPROVEMENT CENTERS**

COLORADO

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Bolder Golf, LLC

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2767 Iris Avenue
Boulder, CO 80304
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CONNECTICUT

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Better Golf CT LLC

GOLFTEC- West Hartford
1146 New Britain Ave. West
Hartford, CT 06110 PH: 860-
222-2299

HAWAII

Ray Suppa
SMR LLC

GOLFTEC - Honolulu 510
Piikoi St., Ste. W100 Honolulu,
HI 96814
PH: 808-441-0105

IDAHO

Ben Knighton, Gary Knighton
Position5 Five LLC

GOLFTEC – Boise 7855
West Emerald St. Boise, ID
83704
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INDIANA

Ryan and James Schrecongost
Schrectec LLC

GOLFTEC – Carmel
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Carmel, IN 46032

PH: 317-810-0075

Mitzi Short
Short's Sports of Indiana, LLC

GOLFTEC - Castleton
5933 E. 86th St.
Indianapolis, IN 46250
PH: 317-595-2170

LOUISIANA

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7350 Jefferson Hwy, Bldg D; Suite 450-
A
Baton Rouge, LA 70809
PH : 255-308-3934

GOLFTEC – Metairie
3213 17th Street
Metairie, LA 70002
PH : 504-208-2237

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869 A&B W Eisenhower Parkway
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NEBRASKA

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GOLFTEC – Omaha
362 N. 114th Street, #362
Omaha, NE 68154

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NEW JERSEY

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SFGT, LLC

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Maple Shade, NJ 08052
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415 Egg Harbor Rd. Ste. 10
Sewell, NJ 08080
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NEW YORK

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BE Golf LLC

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OHIO

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TEXAS

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Thar Enterprises LLC

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GOLFTEC – North Austin
3301 Steck Avenue
Austin, TX 78757
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Wesley Beltran
Beltran Golf LLC

GOLFTEC - El Paso
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PH: 210-519-2600

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Appleton, WI 54913
PH: 920-358-7130

GOLFTEC – Brookfield
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Brookfield, WI 53005
PH: 414-414-463-4653

GOLFTEC - Madison
607 Junction Road
Madison, WI 53717
PH: 608-831-3673

GOLFTEC - Mequon
1408 W Mequon Road
Mequon, WI 53092
PH: 262-240-9851

WISCONSIN

Brendan Locke, Kevin Kihslinger & Timothy Boegh
TriEngle Locke, LLC

EXHIBIT F

FRANCHISEES WHO HAVE LEFT THE SYSTEM

During the last fiscal year, several Franchisees left the system. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

GOLFTEC

The following franchisees sold their units to GOLFTEC Corporate and are no longer in the system as a franchise owner: None.

The following Franchisee's franchise agreement was voluntarily terminated:

None.

The following Franchisee sold their unit to another Franchise owner currently in the system: None.

EXHIBIT G - Part 1

2024 and 2023 FINANCIAL STATEMENTS

GOLFTEC Enterprises, LLC

Consolidated Financial Statements

December 31, 2024 and 2023

GOLFTEC Enterprises, LLC

Index

December 31, 2024 and 2023

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Report of Independent Auditors

To the Management and Board of Directors of GOLFTEC Enterprises, LLC

Opinion

We have audited the accompanying consolidated financial statements of GOLFTEC Enterprises, LLC and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of operations, of changes in members' equity (deficit) and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

P
Pricewaterhouse Coopers LLP

Denver, Colorado
August 25, 2025

GOLFTEC Enterprises, LLC
Consolidated Balance Sheets
December 31, 2024 and 2023

<i>(in thousands)</i>	2024	2023
Assets		
Current assets		
Cash	\$ 4,903	\$ 7,899
Accounts receivable trade, net	5,338	5,695
Other receivables, net	2,901	2,294
Inventory	14,770	13,864
Other current assets	3,699	5,623
Prepaid commissions	5,589	5,692
Total current assets	37,200	41,067
Property and equipment, net	45,687	44,217
Goodwill	63,274	63,274
Intangible assets, net	21,932	25,750
Right of use asset, net	57,613	65,373
Other assets	1,199	1,200
Total assets	<u>\$ 226,905</u>	<u>\$ 240,881</u>
Liabilities and Members' Equity (Deficit)		
Current liabilities		
Accounts payable	\$ 9,701	\$ 7,006
Current portion of lease liability	12,806	12,354
Current portion of long-term debt	26,000	21,500
Deferred revenue	38,460	37,508
Accrued expenses	16,126	21,815
Total current liabilities	103,093	100,183
Long-term debt	81,500	76,000
Lease liability	57,745	65,401
Other long-term liabilities	196	976
Total liabilities	242,534	242,560
Members' equity (deficit)		
Common equity interest, 10,000 units issued and outstanding	(15,629)	(1,679)
Total liabilities and members' equity (deficit)	<u>\$ 226,905</u>	<u>\$ 240,881</u>

The accompanying notes are an integral part of these consolidated financial statements.

GOLFTEC Enterprises, LLC
Consolidated Statements of Operations
Years Ended December 31, 2024 and 2023

<i>(in thousands)</i>	2024	2023
Revenue		
Evaluations, lessons, and practice by company-owned centers	\$ 97,924	\$ 93,614
Merchandise sales by company-owned centers	32,515	32,161
SkyTrak Merchandise Sales	38,600	35,012
SkyTrak Service Sales	7,092	4,961
Franchise & royalties	4,433	5,005
Ecommerce	3,920	2,751
Advertising fund revenue	1,666	1,535
Other	250	428
Total revenue	<u>186,400</u>	<u>175,467</u>
Operating expenses		
Company-owned centers operating expenses	94,705	85,394
Cost of sales - Company-owned centers merchandise sales	21,647	22,718
Cost of sales - SkyTrak Merchandise	22,344	17,949
Cost of sales - Ecommerce	1,659	1,352
Cost of sales - Franchises	1,201	1,638
General and administrative expenses	32,029	29,414
Depreciation and amortization	17,987	15,154
Franchise operating expense	1,445	1,858
Total operating expenses	<u>193,017</u>	<u>175,477</u>
Operating loss	(6,617)	(10)
Interest expense	(6,191)	(7,399)
Other (loss) / income	(1,904)	1,661
Consolidated net loss	<u>\$ (14,712)</u>	<u>\$ (5,748)</u>

The accompanying notes are an integral part of these consolidated financial statements.

GOLFTEC Enterprises, LLC
Consolidated Statements of Changes in Members' Equity (Deficit)
Years Ended December 31, 2024 and 2023

Balance as of December 31, 2022	\$ 3,277
Distribution for taxes	-
Stock compensation expense	792
Consolidated net loss	<u>(5,748)</u>
Balance as of December 31, 2023	(1,679)
Distribution for taxes	-
Stock compensation expense	781
Foreign currency translation adjustment	(19)
Consolidated net loss	<u>(14,712)</u>
Balance as of December 31, 2024	<u>\$ (15,629)</u>

The accompanying notes are an integral part of these consolidated financial statements.

GOLFTEC Enterprises, LLC

Consolidated Statements of Cash Flows

Years Ended December 31, 2024 and 2023

(in thousands)

	2024	2023
Cash flows from operating activities		
Consolidated net (loss)	\$ (14,712)	\$ (5,748)
Adjustments to reconcile consolidated net (loss) to net cash from operating activities		
Depreciation and amortization	17,987	15,154
Noncash inventory obsolescence adjustment	-	1,527
Noncash accounts receivable allowance	-	174
Noncash compensation expense	781	792
Noncash amortization of ROU Assets	10,770	9,902
Noncash impairment of assets	637	-
Changes in operating assets and liabilities		
Accounts receivable	(250)	(3,357)
Inventory	(906)	(3,691)
Lease incentive - tenant improvement allowance	1,925	2,498
Other assets	1,286	990
Prepaid commissions	103	2
Accounts payable	2,695	265
Accrued expenses	(6,470)	150
Deferred revenue	952	1,429
Right of use liability	(13,959)	(8,932)
Net cash provided by operating activities	839	11,155
Cash flows from investing activities		
Cash paid for leasehold improvements	(6,998)	(8,496)
Purchase of property and equipment	(1,038)	(4,088)
Software development costs	(5,688)	(3,933)
Cash paid for intangible assets	(111)	(359)
Cash paid for acquisitions	-	(470)
Net cash used in investing activities	(13,835)	(17,346)
Cash flows from financing activities		
Proceeds from debt - line of credit	41,200	34,500
Payments on debt - term loans	(6,500)	(6,500)
Payments on debt - line of credit	(24,700)	(20,000)
Net cash provided by financing activities	10,000	8,000
Net increase (decrease) in cash	(2,996)	1,809
Cash		
Beginning of year	7,899	6,090
End of year	\$ 4,903	\$ 7,899
Supplemental cash flow information		
Cash paid for interest	\$ 6,193	\$ 6,240
Noncash increase in ROU assets from new/modified leases	4,833	19,946
Noncash increase in ROU liabilities from new/modified leases	(6,756)	(18,513)
Noncash investing & finance activities		
Noncash increase in other long-term liabilities assumed in acquisition	\$ -	\$ (892)
Noncash increase in accrued expenses assumed in acquisition	-	(50)
Noncash increase in leasehold improvements for unpaid capex at year-end	(2,257)	(971)

The accompanying notes are an integral part of these consolidated financial statements.

GOLFTEC Enterprises, LLC

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

1. Nature of Business

GOLFTEC Enterprises, LLC (the “Company”), a subsidiary of GDO Sports Inc. and Golf Digest Online Inc. (collectively, the “Parent”), is a Colorado limited liability company formed on October 24, 2001. The Company owns, operates, and franchises GOLFTEC Learning Centers in the United States and internationally, which offer golf lessons and evaluations utilizing digital video, impact analysis, and motion analysis computers to measure golfer’s swing and compares this information to the Company’s database of PGA TOUR® players. GOLFTEC Learning Centers also offers custom fit clubs and other golf related accessories. The Company also operates GOLFTEC ST LLC, dba SkyTrak Golf which sells Golf launch monitors and related equipment to enhance the at home golf experience.

2. Significant Accounting Policies

Basis of Presentation

The accompanying audited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”). Certain prior year balances have been reclassified to conform to the current year presentation on the consolidated balance sheets, consolidated statements of operations and consolidated statements of cash flows.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates include depreciation expense, inventory obsolescence, estimated fair value of assets and liabilities acquired in business combinations and impairment of long-lived assets and goodwill, if any.

Financial position

The Company has a current line of credit with a credit commitment date through December 31, 2024 due to its Parent, and has up to two years to repay any new lines of credit drawn, which extends the due date to December 31, 2026. At December 31, 2024 the cap on the line of credit was \$58,700. Historically the Company has required and received addition funding from their Parent to support their investment activities, these needs could be in excess of the current availability under the line of credit. On August 20, 2025, the Company received a support letter from its Parent. The letter states that the Parent intends and has the ability to provide the Company with financial support sufficient to meet its operating, investing and financing cash-flow needs for a period of at least twelve months plus one day from the date these financial statements are available to be issued to ensure the Company has adequate liquidity to meet its obligations and fund its operations and capital needs. Management has evaluated the Parent’s financial capacity and concluded that the Parent has sufficient liquidity and committed banking facilities to honor the letter.

GOLFTEC Enterprises, LLC

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

Concentration of Credit Risk

Sales for GOLFTEC are predominately to customers located principally in the United States for lesson packages and custom-order equipment. The Company extends credit to its customers on terms that are generally practiced in the industry. Franchise fees and royalties are due from the franchisees and are unsecured.

Sales for SkyTrak are sold directly to customers and Value Added Resellers (VAR) located in the United States. Sales outside of the US are done exclusively through a VAR. The Company extends credit to some VARs on terms standard to the industry.

Accounts Receivable

Accounts receivable consist primarily of amounts due from golf lesson customers on payment plans or VARs related to launch monitor sales. An allowance for doubtful accounts is established based upon specific assessment of all invoices that remain unpaid following normal customer payment periods. All amounts deemed to be uncollectible are charged against the allowance for doubtful accounts in the period that determination is made. Included in Accounts Receivable Trade, net are payment plan receivables of \$842 thousand and \$1,134 thousand as of December 31, 2024 and 2023, respectively. The allowance for doubtful accounts on payment plan receivable balances was \$30 thousand and \$62 thousand as of December 31, 2024 and 2023, respectively.

Other Receivables

Other receivables consist primarily of amounts due from landlords for tenant improvement allowances. In addition, a general valuation allowance is established for other accounts receivable based on historical loss experience and future loss expectations. This includes years of historical analysis of actual returns and cancellations. There were \$2,901 thousand and \$2,294 thousand of receivables on the accompanying consolidated balance sheets relating to tenant improvement allowances and other miscellaneous receivables as of December 31, 2024 and 2023, respectively.

Inventory

Inventory consists of golf equipment, launch monitors and related equipment, and merchandise held for sale and is stated at the lower of cost or net realizable value, determined using the average cost method.

Prepaid Expenses and Deposits

Other current assets consist primarily of prepaid software and hardware maintenance and license agreements, prepaid deposits for launch monitors, insurance, rent, and other expenses paid in advance. Deposits primarily consist of security deposits on leased spaces and are included in other assets on the accompanying consolidated balance sheets.

Property and Equipment

Property and equipment are recorded at cost. Depreciation expense is computed on a straight-line method. Assets are depreciated over their estimated useful lives ranging from five to seven years. The cost of leasehold improvements is depreciated over the lesser of the length of the related leases or the estimated useful lives of the assets.

Repair and maintenance costs incurred in connection with planned major maintenance activities are capitalized as part of the asset cost and amortized over the remaining useful life of the asset. These costs include direct expenses such as labor and materials, as well as indirect costs that can be directly attributed to the major maintenance activity. Routine repairs and maintenance expenses are expensed as incurred.

GOLFTEC Enterprises, LLC

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

As part of the Company's annual impairment analysis, it was determined that there was an impairment of property and equipment at three locations. This resulted in an impairment expense of \$400 thousand for the year ended December 31, 2024 which is recorded within other (loss) / income in the Consolidated Statement of Operations. There was no impairment expense recorded for the year ended December 31, 2023. Refer to footnote 3 for further discussion.

Capitalized Software Costs

The Company accounts for costs incurred in the development of computer software as software research and development costs until the preliminary project stage is completed. Direct costs incurred in the development of software are capitalized once the preliminary project stage is completed, management has committed to funding the project, and completion and use of the software for its intended purpose is probable. The Company ceases capitalization of development costs once the software has been substantially completed and is ready for its intended use. Software development costs are amortized over their estimated useful lives of three years. Costs associated with upgrades and enhancements that result in additional functionality are capitalized. Capitalized software costs are included in property & equipment, net, within the consolidated balance sheet.

Leases

The Company determines whether a contract is or contains a lease at contract inception. Operating lease assets and liabilities are recognized at the lease's commencement date based on the present value of remaining fixed lease payments over the lease term. The Company also applied the risk-free rate election which allows non-public entities to use a risk-free discount rate for a period comparable with that of the lease term if the rate implicit in the lease is not readily determinable. The operating lease asset also includes any fixed lease payments made, net of lease incentives, and initial direct costs incurred.

Operating lease expense for fixed lease payments is recognized on a straight-line basis over the lease term. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. The Company analyzes certain factors on a regular basis to determine the likelihood of exercising these options. The Company's leases do not contain any material residual guarantees or material restrictive covenants.

The Company elected the short-term lease recognition expedient whereby ROU assets and lease liabilities are not recognized for leases with terms of less than one year.

The Company evaluates ROU assets for impairment consistent with the policy for Property and Equipment. As part of the annual impairment analysis, the Company determined that there was an impairment of ROU assets at one location and recorded a ROU asset impairment of \$237 thousand as of December 31, 2024 which is recorded within other (loss) / income in the Consolidated Statement of Operations. There were no impairments of the ROU assets for the year ended December 31, 2023.

Intangible Assets

Intangible assets consist primarily of franchise agreements, member relationships, trade names, non-compete agreements, distribution agreements, customer relationships, and other assets obtained upon the acquisition of franchises and other companies. The assets are recorded based upon the estimated fair value at the date of the acquisitions. Intangible assets are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable. No impairment has been recorded for the years ended December 31, 2024 and 2023, respectively.

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Goodwill

Goodwill represents the excess of purchase price over the estimated fair value of net assets of acquired companies. Goodwill acquired during the year ended December 31, 2023 of \$1,340 thousand resulted from the repurchase of certain franchises as well as the purchase of SkyTrak. There were no additions to Goodwill for the year ended December 31, 2024. The Company reviews goodwill for impairment on an annual basis to identify potential impairments by comparing the estimated fair value of the Company's net assets with the related book values. If the estimated fair value of the Company's net assets exceeds the book value, goodwill is not impaired. Impairment is recognized for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized cannot exceed the total amount of goodwill allocated to that reporting unit. There were no impairments recorded by the Company during the years ended December 31, 2024 and 2023.

According to ASU 2021-03, the Company is able to review Goodwill impairment at the end of a reporting period or after a triggering event. The Company has elected the option to only review impairment at the end of a reporting period.

Income Taxes

The Company is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable or provided for by the Company. Members are taxed individually on their pro rata ownership share of the Company's earnings. The Company's net income or loss is allocated among the members in accordance with the Company's operating agreement.

Revenue and Cost Recognition

Evaluations, Lessons, and Practice

Revenue from the sale of golf lessons and related packages is either paid for at the time of sale or recorded as a receivable in advance of the related lessons being provided, in which case it is recorded as deferred revenue. These services have only a single performance obligation. Revenue from golf lessons and related packages is recognized over the lesson and package contract term. Revenue recognition begins immediately upon purchase. The two primary tiers of lesson package subscription contracts include the following performance obligations: lesson packs and game plans.

Packages that consist solely of practice revenue are recognized ratably over the contract term. Practice revenue recognition begins upon the date of purchase. Commissions paid from the sale of the golf lessons and related packages are recorded as prepaid commissions and are recognized ratably over the term of the golf lessons and related packages. As of December 31, 2024 and 2023, the Company had an accounts receivable trade balance of \$812 thousand and \$1,072 thousand, respectively, relating to golf & lesson packages. As of December 31, 2024 and 2023, the Company held contract liability (deferred revenue) balances of \$31,067 thousand and \$31,667 thousand, respectively. Total revenue recognized over time for the years ended December 31, 2024 and 2023 totaled approximately \$97,924 thousand and \$93,614 thousand, respectively.

Service Revenue Recognition

Cash from the sales of SkyTrak Memberships is paid for at the time of sale. At which point, it is recorded as deferred revenue. This revenue is recognized over the term of the membership and is started immediately upon sale. Total SkyTrak Membership Revenue recognized over the years ended December 31, 2024 and 2023 was approximately \$6,991 thousand and \$4,853 thousand, respectively. This is a portion of the \$7,092 and \$4,961 thousand totals for December 31, 2024 and 2023, respectively, represented in the statements of operations, with the difference relating to sales of gaming packages. These gaming packages are software downloads that allow the user to

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virtually play selected golf courses from around the world, with the revenue being recognized over the duration of the subscription.

Merchandise Sales Revenue - GOLFTEC

Revenue is recognized by the Company upon transfer of the product to customers or at the time of sale. In instances where products are configured to customer requirements, revenue is recorded upon the successful completion of the Company's final test procedures and the customer's acceptance. Revenue recognized at point in time for the years ended December 31, 2024 and 2023 totaled approximately \$32,515 thousand and \$32,161 thousand, respectively.

Merchandise Sales Revenue - SkyTrak

Revenue for the SkyTrak division is recognized by the Company upon shipment of the product to customers. Revenue recognized for the years ended December 31, 2024 and 2023 totaled approximately \$38,600 thousand and \$35,012 thousand, respectively.

Franchise Fees, Royalty Fees, Advertising Fund Revenue, and Call Center Fees

The Company franchises its concept at 82 franchise centers located throughout the United States, Canada, Japan, China, Dubai, South Africa and Singapore as of December 31, 2024 and 2023. The franchise arrangement requires the Company to perform various activities to support the brand, which are separately identifiable as performance obligations. The performance obligations are as follows: franchise license, construction management, and stand-ready obligations.

The transaction price in a standard franchise arrangement primarily consists of (a) initial franchise fees; b) construction management build-out fees, royalties, and advertising fees; (c) equipment to operate the Learning Center; and (d) call center fees and software license fees, which are a stand-ready obligations. The Company does not sell any of the identified performance obligations on a stand-alone basis. The Company applies a cost-plus-margin approach to determine the standalone selling prices, which approximate the fixed consideration in the franchise agreement.

The Company recognizes the primary components of the transaction price as follows:

- Franchise fees are recognized as revenue ratably on a straight-line basis over the term of the franchise agreement commencing with the execution of the franchise agreement. As these fees are typically received in cash at or near the beginning of the franchise term, the cash received is initially recorded as a contract liability, deferred revenue, until recognized as revenue over time.
- The construction management build-out fee is recognized in the period in which the service is provided to the franchisee.
- The Company is entitled to royalties and advertising fees based on a percentage of the franchisee's gross sales and merchandise sales, as defined in the franchise agreement. Royalty and advertising revenue is recognized when the franchisee's sales occur. Under Accounting Standards Codification (ASC) 606, the Company recognizes advertising fees received under franchise agreements as advertising fund revenue. Advertising revenue is recognized as earned, regardless of the expenses incurred.
- Franchisees are required to purchase operating equipment from the Company. Revenue is recognized by the Company upon transfer of the equipment to the franchisees.
- The Company is entitled to call center fees and software license fees. The Company charges call center fees monthly and recognizes revenue in the month the fees are charged.

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The Company charges software license fees either on a monthly or on an annual basis, and annual charges are recognized ratably over a year-long period.

When determining the amount and timing of franchise related revenues the Company exercises significant judgment with respect to collectability of the amount; however, the timing of recognition does not require significant judgment, as it is based on either the franchise term or the reported sales of the franchisee, none of which require estimation. The Company believes its franchising arrangements do not contain a significant financing component.

Costs of Obtaining and Fulfilling a Contract with a Customer

Costs to obtain a contract with a customer generally are incurred regardless of whether the contract was obtained and are expensed as incurred. Certain costs incurred in fulfilling a contract generally are related directly to contract performance and are capitalized as prepaid commissions. The Company pays employee commission upon sale and recognizes the prepaid commission over the life of each contract.

Advertising Expense

Advertising expenses are charged to income during the year in which it is incurred. Advertising expense for the years ended December 31, 2024 and 2023 was \$12,706 thousand and \$11,196 thousand. Advertising expenses are included within the statements of operations relating to the business segment the spend related to, this being SkyTrak or the Company-owned centers operating expense.

Employee Retention Credit

The Employee Retention Credit (ERC), a provision of the CARES Act, was extended through December 31, 2022 through the American Rescue Plan Act. On November 15, 2021, the Infrastructure Investment and Jobs Act was signed into law and retroactively ends the ERC on October 1, 2021. For the second, third, and fourth quarters of 2020, the Company amended payroll tax returns originally filed in order to claim the refundable ERC for those periods.

The ERC includes conditions that must be met to qualify for the credit, including having operations suspended to comply with a government order related to COVID-19 and incurring eligible payroll expenses. As a result of uncertainty in terms of receiving the credit, the Company did not recognize any benefit from the 2020 ERC program in 2021, in which approximately \$1,700 thousands of credits were submitted to the Internal Revenue Service (IRS) in December 2021.

In 2023, the Company received \$1,775 thousand of ERC related funds which includes interest of \$75 thousand. This has been accounted for as a gain in the year ended December 31, 2023 and is included within other income in the consolidated statements of operations. There was no gain recorded for the year ended December 31, 2024.

Recently Adopted and Issued Accounting Pronouncements

The accounting standard-setting organizations frequently issue new or revised accounting rules through Accounting Standard Updates ("ASU"). The Company regularly reviews new pronouncements to determine their impact, if any, on its Consolidated Financial Statements and related disclosures.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326). The standard is intended to improve financial reporting by requiring earlier recognition of credit losses on financing receivables and other financial assets in scope. Additional disclosure requirements include methods for estimating allowances for credit losses, key assumptions used in developing those estimates and enhanced disclosure of credit risk inherent in the Company's

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assets. ASU 2016-13 is effective for the Company for annual reporting periods beginning after December 15, 2022. The Company adopted the standard January 1, 2023, and it did not have a material impact on its consolidated financial statements.

3. Property and Equipment

Property and equipment are summarized as follows:

<i>(in thousands)</i>	2024	2023
Machinery and equipment	\$ 14,843	\$ 13,419
Leasehold improvements	47,929	41,715
Computer equipment and software	2,879	2,564
Furniture and fixtures	9,075	8,494
Capitalized software development costs	23,467	17,854
Construction in progress	2,410	2,122
Total cost	100,603	86,168
Accumulated depreciation and amortization	54,916	41,951
Net property and equipment	\$ 45,687	\$ 44,217

Depreciation expense for the years ended December 31, 2024 and 2023 was \$9,909 thousand and \$8,202 thousand, respectively.

At December 31, 2024 and 2023, the Company had accumulated amortization for capitalized software of \$15,542 thousand and \$11,391 thousand, respectively. Amortization expense for capitalized software was \$4,150 thousand and \$2,981 thousand for the years ended December 31, 2024 and 2023.

As part of the Company's annual impairment analysis, it was determined that there was an impairment of property and equipment at three locations. This resulted in an impairment expense of \$400 thousand for the year ended December 31, 2024 which is recorded within other (loss) / income in the Consolidated Statement of Operations. There was no impairment expense recorded for the year ended December 31, 2023.

4. Intangible Assets

Intangible assets of the Company at December 31, 2024 and 2023 are summarized as follows:

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	Weighted-Average Life (in years)	2024	
(in thousands)		Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets			
Franchise agreements	3	\$ 3,990	\$ 3,582
Member relationships	0	873	873
SkyTrak Trade Name	12.67	7,940	1,236
SkyTrak Distribution Agreement	4.67	17,370	5,792
SkyTrak Other Intangibles	10.93	4,293	1,423
Other		509	136
Total amortized intangible assets		\$ 34,974	\$ 13,042

	Weighted-Average Life (in years)	2023	
(in thousands)		Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets			
Franchise agreements	3.27	\$ 3,990	\$ 3,245
Member relationships	0	873	873
SkyTrak Trade Name	13.6	7,940	706
SkyTrak Distribution Agreement	5.6	17,370	3,311
SkyTrak Other Intangibles	11.1	4,293	899
Other		398	80
Total amortized intangible assets		\$ 34,864	\$ 9,114

Amortization expense for intangible assets totaled \$3,929 thousand and \$3,971 thousand for the years ended December 31, 2024 and 2023, respectively.

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5. Accrued Expenses

The following is the detail of current accrued expenses:

<i>(in thousands)</i>	2024	2023
Accrued compensation - Short Term	5,700	\$ 7,639
Accrued interest	4,872	3,063
Accrued credit card payable	657	1,260
Accrued sales and use tax	1,247	775
Accrued property taxes	498	383
Demo Clubs	42	1,381
Accrued other	3,110	7,314
Total accrued expenses	<u>\$ 16,126</u>	<u>\$ 21,815</u>

6. Deferred Revenue (Contract Liabilities)

Deferred revenue consisted of the following:

<i>(in thousands)</i>	2024	2023
Unearned lesson package revenue	\$ 31,067	\$ 31,667
Club deposits, Layaways	1,490	1,531
Unearned revenue - franchise	779	780
Gift cards	877	359
Unearned revenue - SkyTrak memberships	4,247	3,171
Total deferred revenue	<u>\$ 38,460</u>	<u>\$ 37,508</u>

GOLFTEC Enterprises, LLC
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7. Long-Term Debt

Long-term debt as of December 31, 2024 and 2023 is as follows:

<i>(in thousands)</i>	2024	2023
On July 2, 2018, the company entered into an unsecured line of credit with the parent that requires each advance to be a separate promissory note. As of December 31, 2024 and 2023, the advances bear interest ranging from 6.83 to 8.4 percent and 7.24 to 8.40 percent, respectively, requiring the principal and all accrued but unpaid interest to be paid on various maturity dates in 2025 and 2026.	\$ 55,500	\$ 39,000
On August 29, 2022, the company entered into an unsecured loan with the parent. As of December 31, 2024 and 2023, the loan bears interest at 4.5 percent. Repayment of \$1,625 thousand occurs quarterly at the end of January, April, July and October until the loan is paid in its entirety on July 30, 2027.	52,000	58,500
Total debt	107,500	97,500
Less		
Current portion	26,000	21,500
Unamortized loan issuance costs		-
Long-term portion	\$ 81,500	\$ 76,000

The balance of the above debt matures as follows:

<i>(in thousands)</i>	Amount
Year Ending	
2025	\$ 19,500
2026	\$ 36,000
2027	\$ 52,000
2028	-
2029	-
	<u>\$ 107,500</u>

The Company has a line of credit agreement with the Parent, which the Company can draw upon up to a cap of \$58,700 thousand and \$48,000 thousand at December 31, 2024 and 2023. Under the line of credit agreement, each advance is considered a separate promissory note. The Company can draw upon the line of credit at any time with no minimum requirements, up to the agreed upon cap. In addition, the Company can repay the various lines of credits at any time with excess cash. While the line of credit commitment period is through December 31, 2024, the Company has up to two years to repay any new lines of credit drawn.

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Interest is payable upon maturity of each line of credit advance at a rate of 2.5 percent above the Secured Overnight Financing Rate (SOFR) (an effective rate of 6.83 and 7.88 percent as of December 31, 2024 and 2023, respectively). The line of credit is unsecured. As of December 31, 2024 and 2023 the Company had \$3,200 thousand and \$6,000 thousand of availability on the line of credit for additional draws without receiving a waiver from the Parent.

The Company's line of credit agreement with the Parent, which the Company can draw upon up to cap of \$58,700 thousand, ends on December 31, 2024. The Company and Parent currently have verbal agreement in place to maintain the current line of credit agreement through 2025. The Company and Parent are working to formalize the extension of the commitment period in the latter half of the year. In the event the Company is unable to refinance the related party line of credit, the Company has a written commitment from Parent to provide both operational and financial support for at least 12 months and a day from the date that these financial statements are available to be issued to ensure the Company has adequate liquidity to meet its obligations and fund its operations in the event that such financing or working capital requirements arise.

The terms of the unsecured loan with Parent require the Company to maintain certain financial covenants. The Parent is involved with daily operations and aware of the financial status of the Company. While the Company was not in compliance as of December 31, 2024 with all financial covenants, the Company was relieved of any remediations within a parent support letter. The Company was in compliance with all financial covenants at December 31, 2023.

8. Leases

The Company leases all of its 180 centers and its two distribution centers under non-cancellable operating leases that expire at various dates through 2034. The Company's centers generally have initial lease terms of 5 to 10 years and contain various renewal options and rent escalation provisions. The lease agreements provide primarily for the payment of minimum annual rentals, costs of utilities, property taxes, maintenance, common areas and insurance.

Based on the criteria set forth in ASC Topic 842, Leases ("ASC 842"), the Company recognizes Right-Of-Use ('ROU') assets and lease liabilities related to leases on the Company's balance sheets. The Company determines if an arrangement is, or contains, a lease at inception. ROU assets represent the right to use an underlying asset for the lease term and lease liabilities reflect the obligation to make lease payments arising from the lease. At any given time during the lease term, the lease liability represents the present value of the remaining lease payments and the ROU asset is measured at the amount of the lease liability, adjusted for pre-paid rent, unamortized initial direct costs and the remaining balance of lease incentives received. Both the lease ROU asset and liability are reduced to zero at the end of the lease.

As part of the annual impairment analysis, the Company determined that there was an impairment of ROU assets at one location and recorded a ROU asset impairment expense of \$237 thousand as of December 31, 2024 which is recorded within other (loss) / income in the Consolidated Statement of Operations. There was no ROU asset impairments recorded during the year ended December 31, 2023.

In addition to rent payments, leases for retail space contain payments for real estate taxes, insurance costs, common area maintenance, and utilities that are not fixed. The Company accounts for these costs as variable payments and does not include such costs as a lease component.

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The components of lease expense were as follows:

<i>(in thousands)</i>	<u>2024</u>	<u>2023</u>
Operating lease costs	\$ 12,764	\$ 12,212
Variable lease costs	4,813	4,316

The following table discloses supplemental balance sheets information for the Company's leases:

<i>(in thousands)</i>	<u>2024</u>	<u>2023</u>
Operating Leases		
ROU assets, net	\$ 57,613	\$ 65,373
Lease liabilities, short-term	12,806	12,354
Lease liabilities, long-term	57,745	65,401

The following table discloses the weighted-average remaining lease term and weighted average discount rate for the Company's leases:

<i>(in thousands)</i>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Weighted average remaining lease term (years)		
Operating leases	6.33	6.91
Weighted average discount rate		
Operating leases	2.59 %	2.43 %

Future minimum annual commitments under these operating leases are as follows:

<i>(in thousands)</i>	<u>Lease Payments</u>
Year Ending December 31, 2024	
2025	\$ 14,246
2026	13,118
2027	11,826
2028	10,336
2029	9,040
Thereafter	18,296
	76,862
Less: Effects of discounting	6,311
Lease liabilities recognized	<u>\$ 70,551</u>

9. Long-Term Incentive Plan

On January 1, 2020, the Company adopted an initial Long-Term Incentive Plan (the "Plan") to incentivize and retain employees, which was structured to award participants with units that represent the right to receive certain compensation in the future, subject to a risk of cancellation and the other terms and conditions set forth in the Plan set by the Long-Term Incentive Plan

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committee (the “Committee”). The Plan’s units that were granted to a participant vested over a 3-year period. All expenses related to the plan were recorded in 2022, with remaining liabilities being paid out in accordance with the plan in 2023 and 2024.

The total liabilities accrued related to the Plan were \$0 thousand and \$1,442 thousand as of December 31, 2024 and 2023. As of December 31, 2023, any remaining fully vested shares were paid, with the Company paying out \$1,331 thousand in March of 2024, with an expense recovery of \$111 thousand.

No units have been forfeited for the years ended December 31, 2024 and 2023. In the event of a forfeiture, that event would be recognized as it occurs.

Effective December 20, 2022, the Company adopted an additional Long-Term Incentive Plan to incentivize and retain employees (“the 2nd LTIP Plan”). All employees and consultants of the Company are eligible to receive units under the 2nd LTIP Plan. The 2nd LTIP Plan is structured to award participants with units that represent the right to receive certain compensation in the future, subject to a risk of cancellation and the other terms and conditions set forth in the 2nd LTIP Plan, a grant certificate, and any additional terms and conditions set by the Long-Term Incentive Plan committee (the “Committee”). The Committee, in its sole discretion, may at any time grant to one or more participants units as the Committee determines appropriate. Until the 2nd LTIP Plan’s units are granted to a participant and have vested, in full or in part, the participant shall not be entitled to benefits under the 2nd LTIP Plan. The units vest upon the earlier of an IPO or the end of the vesting term (3 years). There are 1,000,000 units available to grant. This plan is valued based on ASC 718 and is equity classified.

The following table summarizes the total share-based compensation expense and excess tax benefits recognized:

	<u>2024</u>	<u>2023</u>
Share-based compensation expense - equity awards	781	792
Income tax benefits recognized in earnings related to share-based compensation	-	-
Excess tax benefits related to share-based compensation	-	-

A summary of the LTIP activity for the 2nd LTIP Plan for the years ended December 31, 2024 and 2023 is as follows:

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	Units	Weighted-Average Contractual Life Remaining (years)	Weighted-Average Exercise Price
Outstanding at December 31, 2022	26,975	2	96.90
Granted	-	-	-
Vested	-	-	-
Exercised	-	-	-
Forfeited	-	-	-
Outstanding at December 31, 2023	26,975	1	96.90
Granted	-	-	-
Vested	(26,975)	-	-
Exercised	-	-	-
Forfeited	-	-	-
Outstanding at December 31, 2024	-	-	96.90
Unvested at December 31, 2024	-	-	96.90

Upon vesting of the units, the 2nd LTIP Plan allows the holder to purchase shares of the Company's common stock. The Company accounts for these shares under the fair value method of accounting using the Black-Scholes valuation model to measure expense at the date of the grant. There is no unrecognized compensation cost under the 2nd LTIP Plan as of December 31, 2024.

Our weighted-average Black-Scholes fair value assumptions are as follow:

	2022
Expected life	6.015 years
Risk-free interest rate	3.69 %
Expected volatility	61.67
Expected dividend yield	0.00 %

The following is a summary of other share-based compensation data for the 2nd LTIP Plan:

	2022
Total number of units granted	26,975
Weighted-average grant-date fair value of units granted	\$ 54.58

Effective January 1, 2023, the Company adopted a third Long-Term Incentive Plan to incentivize and retain employees ("the New Plan"). All employees of the Company are eligible to receive units under the New Plan. The New Plan is structured to award participants with units that represent the right to receive certain compensation in the future, subject to a risk of cancellation and the other terms and conditions set forth in the New Plan, a grant certificate, and any additional terms and

GOLFTEC Enterprises, LLC

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conditions set by the Long-Term Incentive Plan committee (the “Committee”). Awards granted under the New Plan are accounted for in accordance with ASC 718, Compensation—Stock Compensation and are classified as equity awards. The Committee, in its sole discretion, may at any time grant to one or more participants’ units as the Committee determines appropriate. Until the New Plan’s units are granted to a participant and have vested, in full or in part, the participant shall not be entitled to benefits under the New Plan.

A summary of the LTIP activity for the New Plan for the year ended December 31, 2024 and 2023 is as follows:

	Units	Weighted-Average Contractual Life Remaining (years)
Outstanding at December 31, 2022	-	-
Granted	69,200	2
Vested	-	-
Exercised	-	-
Forfeited	(50)	-
Outstanding at December 31, 2023	<u>69,150</u>	2
Granted	20,942	-
Vested	-	-
Exercised	-	-
Forfeited	(2,900)	-
Outstanding at December 31, 2024	<u>87,192</u>	1.5
Unvested at December 31, 2024	<u>87,192</u>	1.5

These shares vest upon a Go-Public event, which is not probable as of December 31, 2024 and therefore no compensation expense has been recorded during the years ended December 31, 2024 and 2023. As of December 31, 2024 there are 29,328 units that remain to be granted under the New Plan.

10. Related Party Transactions

The following is a description of transactions between the Company and related parties:

Management Fees

The Company pays a management fee to a corporation affiliated through common ownership. Management fees under the agreement totaled \$120 thousand and \$90 thousand for the years ended December 31, 2024 and 2023, respectively.

The Company pays a legal retainer fee to a corporation affiliated through common ownership. Legal retainer fees under the agreement totaled \$12 thousand and \$1 thousand for the years ended December 31, 2024 and 2023, respectively.

Debt Agreements

All debt agreements as indicated in note 7 are with the Company’s Parent.

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Notes to Consolidated Financial Statements

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11. Commitments and Contingencies

As of December 31, 2024 and 2023, the Company has placed deposits with suppliers of the Company's launch monitor and home studios in the amount of \$430 thousand and \$2,477 thousand, respectively. In the event the final payment is not made, these deposits would be forfeited. The Company issued payments for these deposits in the first and second quarters of 2025 and 2024, respectively, and the corresponding equipment was received. These deposits are included in the Other Current Assets on the consolidated balance sheets.

The Company is involved, from time-to-time, in claims and legal proceedings arising in the ordinary course of business. Management believes that any liability from the ultimate resolution of these matters will not have a material adverse effect on the Company's financial condition, future results of operations or liquidity.

12. Subsequent Events

On March 15, 2025, the Company reached a settlement related to a litigation matter which was unresolved as of December 31, 2024. This resulted in a settlement of \$300 thousand to the plaintiff and plaintiff's council, which was paid out by the Company in April 2025. A claim was filed with the Company's insurance provider, seeking reimbursement for \$200 thousand related to the settlement which was approved and received in July 2025. As of December 31, 2024, the Company recorded a liability of \$100 thousand which was recorded in accrued liabilities on the Consolidated Balance Sheets.

As of August 25, 2025, the Company has not formally extended the Company's line of credit agreement with the Parent, which ended on December 31, 2024. The Company and Parent currently have verbal agreement in place to maintain the current line of credit agreement through 2025 with a cap of \$66,000 thousand. The line of credit balance drawn by the Company as of August 25, 2025 is \$60,750 thousand, with \$5,250 thousand of availability on the line of credit for additional draws without receiving a waiver from the Parent.

The consolidated financial statements and related disclosures include an evaluation of events up through and including August 25, 2025, which is the date the consolidated financial statements were available to be issued.

EXHIBIT G - Part 2

2023 and 2022 FINANCIAL STATEMENTS

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Report of Independent Auditors

To the Management and Board of Directors of GolfTEC Enterprises, LLC

Opinion

We have audited the accompanying consolidated financial statements of GolfTEC Enterprises, LLC and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the related consolidated statements of operations, of changes in members' equity (deficit) and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.



In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

A handwritten signature in black ink that reads "Pricewaterhouse Coopers LLP". The signature is written in a cursive, flowing style.

Denver, Colorado
July 23, 2024

GOLFTEC Enterprises, LLC
Consolidated Balance Sheets
December 31, 2023 and 2022

(in thousands)

	2023	2022
Assets		
Current assets		
Cash	\$ 7,899	\$ 6,090
Accounts receivable trade, net	5,695	1,235
Other receivables, net	2,294	3,223
Inventory	13,864	11,700
Other current assets	5,623	6,613
Prepaid commissions	5,692	5,694
Total current assets	41,067	34,555
Property and equipment, net	44,217	38,816
Goodwill	63,274	61,933
Intangible assets, net	25,750	29,368
Right of use asset, net	65,373	57,827
Other assets	1,200	1,184
Total assets	<u>\$ 240,881</u>	<u>\$ 223,683</u>
Liabilities and Members' Equity		
Current liabilities		
Accounts payable	\$ 7,006	\$ 6,741
Current portion of lease liability	12,354	10,051
Current portion of long-term debt	21,500	10,500
Deferred revenue	37,508	36,079
Accrued expenses	21,815	14,624
Total current liabilities	100,183	77,995
Long-term debt	76,000	79,000
Lease liability	65,401	58,123
Other long-term liabilities	976	5,288
Total liabilities	242,560	220,406
Members' equity (deficit)		
Common equity interest, 10,000 units issued and outstanding	(1,679)	3,277
Total liabilities and members' equity	<u>\$ 240,881</u>	<u>\$ 223,683</u>

The accompanying notes are an integral part of these consolidated financial statements.

GOLFTEC Enterprises, LLC
Consolidated Statements of Operations
Years Ended December 31, 2023 and 2022

<i>(in thousands)</i>	2023	2022
Revenue		
Evaluations, lessons, and practice by company-owned centers	\$ 93,614	\$ 91,193
Merchandise sales by company-owned centers	32,161	32,580
SkyTrak Merchandise Sales	35,012	6,288
SkyTrak Service Sales	4,961	3,682
Franchise & royalties	5,005	4,531
Ecommerce	2,751	1,002
Advertising fund revenue	1,535	1,355
Other	428	914
Total revenue	<u>175,467</u>	<u>141,545</u>
Operating expenses		
Company-owned centers operating expenses	85,394	87,634
Cost of sales - Company-owned centers merchandise sales	22,718	21,804
Cost of sales - SkyTrak Merchandise	17,949	5,928
Cost of sales - Ecommerce	1,352	764
Cost of sales - Franchises	1,638	1,243
General and administrative expenses	29,414	10,468
Depreciation and amortization	15,154	10,070
Franchise operating expense	1,858	1,679
Total operating expenses	<u>175,477</u>	<u>139,590</u>
Operating income (loss)	(10)	1,955
Interest expense	(7,399)	(2,039)
Other income	1,661	6,458
Consolidated net income (loss)	<u>\$ (5,748)</u>	<u>\$ 6,374</u>

The accompanying notes are an integral part of these consolidated financial statements.

GOLFTEC Enterprises, LLC
Consolidated Statements of Changes in Members' Equity (Deficit)
Years Ended December 31, 2023 and 2022

Balance as of December 31, 2021	\$ (4,557)
Distribution for taxes	(124)
Equity issuance	1,584
Consolidated net income	<u>6,374</u>
Balance as of December 31, 2022	3,277
Distribution for taxes	-
Stock compensation expense	792
Consolidated net loss	<u>(5,748)</u>
Balance as of December 31, 2023	<u>\$ (1,679)</u>

The accompanying notes are an integral part of these consolidated financial statements.

GOLFTEC Enterprises, LLC

Consolidated Statements of Cash Flows

Years Ended December 31, 2023 and 2022

<i>(in thousands)</i>	2023	2022
Cash flows from operating activities		
Consolidated net income (loss)	\$ (5,748)	\$ 6,374
Adjustments to reconcile consolidated net income (loss) to net cash from operating activities		
Depreciation and amortization	15,154	10,070
Noncash inventory obsolescence adjustment	1,527	-
Noncash accounts receivable allowance	174	-
Noncash gain from PPP loan forgiveness	-	(6,458)
Noncash acquisition cost	-	1,584
Noncash compensation expense	792	-
Noncash amortization of ROU Assets	9,902	12,369
Changes in operating assets and liabilities		
Accounts receivable	(3,357)	(168)
Inventory	(3,691)	(2,572)
Lease incentive - tenant improvement allowance	2,498	3,890
Other assets	990	(2,558)
Prepaid commissions	2	211
Accounts payable	265	2,671
Accrued expenses	150	475
Deferred revenue	1,429	(2,314)
Right of use liability	(8,932)	(12,635)
Net cash provided by operating activities	<u>11,155</u>	<u>10,939</u>
Cash flows from investing activities		
Cash paid for leasehold improvements	(8,496)	(12,424)
Purchase of property and equipment	(4,088)	(6,266)
Software development costs	(3,933)	(3,359)
Cash paid for intangible assets	(359)	-
Cash paid for acquisitions	(470)	(67,316)
Net cash used in investing activities	<u>(17,346)</u>	<u>(89,365)</u>
Cash flows from financing activities		
Proceeds from debt - term loans	-	65,000
Proceeds from debt - line of credit	34,500	48,500
Payments on debt - term loans	(6,500)	(33,000)
Payments on debt - line of credit	(20,000)	-
Distribution for taxes	-	(124)
Net cash provided by financing activities	<u>8,000</u>	<u>80,376</u>
Net increase in cash	1,809	1,950
Cash		
Beginning of year	<u>6,090</u>	<u>4,140</u>
End of year	<u>\$ 7,899</u>	<u>\$ 6,090</u>
Supplemental cash flow information		
Cash paid for interest	\$ 6,240	\$ 1,725
Noncash increase in ROU assets from ASC 842 implementation	-	54,530
Noncash increase in lease liabilities from ASC 842 implementation		(61,253)
Noncash increase in ROU assets from new leases	19,946	15,665
Noncash increase in ROU liabilities from new leases	(18,513)	(15,940)
Non cash investing & finance activities		
Noncash increase in other long-term liabilities assumed in acquisition	(892)	-
Noncash increase in accrued expenses assumed in acquisition	(50)	-
Noncash increase in equity due to acquisition costs incurred by parent	-	1,584
Noncash increase in leasehold improvements for unpaid capex at year-end	(971)	-

The accompanying notes are an integral part of these consolidated financial statements.

GOLFTEC Enterprises, LLC

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

1. Nature of Business

GOLFTEC Enterprises, LLC (the “Company”), a subsidiary of GDO Sports Inc. and Golf Digest Online Inc. (collectively, the “Parent”), is a Colorado limited liability company formed on October 24, 2001. The Company owns, operates, and franchises GOLFTEC Learning Centers, which offer golf lessons and evaluations utilizing digital video, impact analysis, and motion analysis computers to measure golfer’s swing and compares this information to the Company’s database of PGA TOUR® players. GOLFTEC Learning Centers also offers custom fit clubs and other golf related accessories. The Company also operates GOLFTEC ST LLC, dba SkyTrak Golf which sells Golf launch monitors and related equipment to enhance the at home golf experience.

2. Significant Accounting Policies

Basis of presentation

The accompanying audited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”). Certain prior year balances have been reclassified to conform to the current year presentation on the consolidated balance sheets, consolidated statements of operations and consolidated statements of cash flows.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates include depreciation expense, inventory obsolescence, estimated fair value of assets and liabilities acquired in business combinations and impairment of long-lived assets and goodwill, if any.

Concentration of Credit Risk

Sales for GOLFTEC are predominately to customers located principally in the United States for lesson packages and custom-order equipment. The Company extends credit to its customers on terms that are generally practiced in the industry. Franchise fees and royalties are due from the franchisees and are unsecured.

Sales for SkyTrak are sold directly to customers and Value Added Resellers (VAR) located in the United States. Sales outside of the US are done exclusively through a VAR. The Company extends credit to some VARs on terms standard to the industry.

Accounts Receivable

Accounts receivable consist primarily of amounts due from golf lesson customers on payment plans or VARs related to launch monitor sales. An allowance for doubtful accounts is established based upon specific assessment of all invoices that remain unpaid following normal customer payment periods. All amounts deemed to be uncollectible are charged against the allowance for doubtful accounts in the period that determination is made. Included in Accounts Receivable Trade are payment plan receivables of \$1,134 thousand and \$1,306 thousand as of December 31, 2023

GOLFTEC Enterprises, LLC

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

and 2022, respectively. The allowance for doubtful accounts on payment plan receivable balances was \$62 thousand and \$71 thousand as of December 31, 2023 and 2022, respectively.

Other Receivables

Other receivables consist primarily of amounts due from landlords for tenant improvement allowances. In addition, a general valuation allowance is established for other accounts receivable based on historical loss experience and future loss expectations. This includes years of historical analysis of actual returns and cancellations. There was \$2,294 thousand and \$2,797 thousand of receivables on the accompanying consolidated balance sheets relating to tenant improvement allowances and other miscellaneous receivables as of December 31, 2023 and 2022, respectively.

Inventory

Inventory consists of golf equipment, launch monitors and related equipment, and merchandise held for sale and is stated at the lower of cost or net realizable value, determined using the average cost method.

Prepaid Expenses and Deposits

Other current assets consist primarily of prepaid software and hardware maintenance and license agreements, prepaid deposits for launch monitors, insurance, rent, and other expenses paid in advance. Deposits primarily consist of security deposits on leased spaces and are included in other assets on the accompanying consolidated balance sheets.

Property and Equipment

Property and equipment are recorded at cost. Depreciation expense is computed on a straight-line method. Assets are depreciated over their estimated useful lives ranging from five to seven years. The cost of leasehold improvements is depreciated over the lesser of the length of the related leases or the estimated useful lives of the assets.

Repair and maintenance costs incurred in connection with planned major maintenance activities are capitalized as part of the asset cost and amortized over the remaining useful life of the asset. These costs include direct expenses such as labor and materials, as well as indirect costs that can be directly attributed to the major maintenance activity. Routine repairs and maintenance expenses are expensed as incurred.

Capitalized Software Costs

The Company accounts for costs incurred in the development of computer software as software research and development costs until the preliminary project stage is completed. Direct costs incurred in the development of software are capitalized once the preliminary project stage is completed, management has committed to funding the project, and completion and use of the software for its intended purpose is probable. The Company ceases capitalization of development costs once the software has been substantially completed and is ready for its intended use. Software development costs are amortized over their estimated useful lives of three years. Costs associated with upgrades and enhancements that result in additional functionality are capitalized. Capitalized software costs are included in property & equipment, net, within the consolidated balance sheet.

Leases

The Company determines whether a contract is or contains a lease at contract inception. Operating lease assets and liabilities are recognized at the lease's commencement date based on the present value of remaining fixed lease payments over the lease term. The Company also applied the risk-free rate election which allows non-public entities to use a risk-free discount rate for

GOLFTEC Enterprises, LLC

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

a period comparable with that of the lease term if the rate implicit in the lease is not readily determinable. The operating lease asset also includes any fixed lease payments made, net of lease incentives, and initial direct costs incurred.

Operating lease expense for fixed lease payments is recognized on a straight-line basis over the lease term. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. The Company analyzes certain factors on a regular basis to determine the likelihood of exercising these options. The Company's leases do not contain any material residual guarantees or material restrictive covenants.

The Company elected the short-term lease recognition expedient whereby ROU assets and lease liabilities are not recognized for leases with terms of less than one year.

The Company evaluates ROU assets for impairment consistent with the policy for Property and Equipment. There were no impairments of the ROU assets for the years ended December 31, 2023 and 2022, respectively.

Intangible Assets

Intangible assets consist primarily of franchise agreements, member relationships, trade names, non-compete agreements, distribution agreements, customer relationships, and other assets obtained upon the acquisition of franchises and other companies. The assets are recorded based upon the estimated fair value at the date of the acquisitions. Intangible assets are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable. No impairment has been recorded for the years ended December 31, 2023 and 2022, respectively.

Goodwill

Goodwill represents the excess of purchase price over the estimated fair value of net assets of acquired companies. Goodwill acquired during the years ended December 31, 2023 and 2022 resulted from the repurchase of certain franchises as well as the purchase of SkyTrak, respectively. Amounts added to goodwill resulting from business acquisitions for the year ended December 31, 2023 and 2022 was \$1,341 and \$34,272 thousand, respectively. The Company reviews goodwill for impairment on an annual basis to identify potential impairments by comparing the estimated fair value of the Company's net assets with the related book values. If the estimated fair value of the Company's net assets exceeds the book value, goodwill is not impaired. Impairment is recognized for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized cannot exceed the total amount of goodwill allocated to that reporting unit. There were no impairments recorded by the Company during the years ended December 31, 2023 and 2022.

According to ASU 2021-03, the Company is able to review Goodwill impairment at the end of a reporting period or after a triggering event. The Company has elected the option to only review impairment at the end of a reporting period.

Income Taxes

The Company is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable or provided for by the Company. Members are taxed individually on their pro rata ownership share of the Company's earnings. The Company's net income or loss is allocated among the members in accordance with the Company's operating agreement.

GOLFTEC Enterprises, LLC

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

Revenue and Cost Recognition

Evaluations, Lessons, and Practice

Revenue from the sale of golf lessons and related packages is either paid for at the time of sale or recorded as a receivable in advance of the related lessons being provided, in which case it is recorded as deferred revenue. These services have only a single performance obligation. Revenue from golf lessons and related packages is recognized over the lesson and package contract term. Revenue recognition begins immediately upon purchase. The two primary tiers of lesson package subscription contracts include the following performance obligations: lesson packs and game plans.

Packages that consist solely of practice revenue are recognized ratably over the contract term. Practice revenue recognition begins upon the date of purchase. Commissions paid from the sale of the golf lessons and related packages are recorded as prepaid commissions and are recognized ratably over the term of the golf lessons and related packages. As of December 31, 2023 and 2022, the Company had an accounts receivable trade balance of \$1,072 thousand and \$1,235 thousand, respectively, relating to golf & lesson packages. As of December 31, 2023 and 2022, the Company held contract liability (deferred revenue) balances of \$31,667 thousand and \$31,687 thousand, respectively. Total revenue recognized over time for the years ended December 31, 2023 and 2022 totaled approximately \$93,614 thousand and \$91,193 thousand, respectively.

Service Revenue Recognition

Cash from the sales of SkyTrak Memberships is paid for at the time of sale. At which point, it is recorded as deferred revenue. This revenue is recognized over the term of the membership and is started immediately upon sale. Total SkyTrak Membership Revenue recognized over the years ended December 31, 2023 and 2022 was approximately \$4,853 thousand and \$1,915 thousand, respectively. This is a portion of the \$4,961 and \$3,682 thousand totals for December 31, 2023 and 2022, respectively, represented in the statements of operations, with the difference relating to sales of gaming packages. These gaming packages are software downloads that allow the user to virtually play selected golf courses from around the world, with the revenue being recognized over the duration of the subscription.

Merchandise Sales Revenue - GOLFTEC

Revenue is recognized by the Company upon transfer of the product to customers or at the time of sale. In instances where products are configured to customer requirements, revenue is recorded upon the successful completion of the Company's final test procedures and the customer's acceptance. Revenue recognized at point in time for the years ended December 31, 2023 and 2022 totaled approximately \$32,161 thousand and \$32,580 thousand, respectively.

Merchandise Sales Revenue - SkyTrak

Revenue for the SkyTrak division is recognized by the Company upon shipment of the product to customers. Revenue recognized for the years ended December 31, 2023 and 2022 totaled approximately \$35,013 thousand and \$6,288 thousand, respectively.

Franchise Fees, Royalty Fees, Advertising Fund Revenue, and Call Center Fees

The Company franchises its concept at 81 franchise centers located throughout the United States, Canada, Japan, China, Dubai, South Africa and Singapore as of December 31, 2023 and 2022. The franchise arrangement requires the Company to perform various activities to support the brand, which are separately identifiable as performance obligations. The performance obligations are as follows: franchise license, construction management, and stand-ready obligations.

GOLFTEC Enterprises, LLC

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

The transaction price in a standard franchise arrangement primarily consists of (a) initial franchise fees; b) construction management build-out fees, royalties, and advertising fees; (c) equipment to operate the Learning Center; and (d) call center fees and software license fees, which are a stand-ready obligations. The Company does not sell any of the identified performance obligations on a stand-alone basis. The Company applies a cost-plus-margin approach to determine the stand-alone selling prices, which approximate the fixed consideration in the franchise agreement.

The Company recognizes the primary components of the transaction price as follows:

- Franchise fees are recognized as revenue ratably on a straight-line basis over the term of the franchise agreement commencing with the execution of the franchise agreement. As these fees are typically received in cash at or near the beginning of the franchise term, the cash received is initially recorded as a contract liability, deferred revenue, until recognized as revenue over time.
- The construction management build-out fee is recognized in the period in which the service is provided to the franchisee.
- The Company is entitled to royalties and advertising fees based on a percentage of the franchisee's gross sales and merchandise sales, as defined in the franchise agreement. Royalty and advertising revenue is recognized when the franchisee's sales occur. Under Accounting Standards Codification (ASC) 606, the Company recognizes advertising fees received under franchise agreements as advertising fund revenue. Advertising revenue is recognized as earned, regardless of the expenses incurred.
- Franchisees are required to purchase operating equipment from the Company. Revenue is recognized by the Company upon transfer of the equipment to the franchisees.
- The Company is entitled to call center fees and software license fees. The Company charges call center fees monthly and recognizes revenue in the month the fees are charged. The Company charges software license fees either on a monthly or on an annual basis, and annual charges are recognized ratably over a year-long period.

When determining the amount and timing of franchise related revenues the Company exercises significant judgment with respect to collectability of the amount; however, the timing of recognition does not require significant judgment, as it is based on either the franchise term or the reported sales of the franchisee, none of which require estimation. The Company believes its franchising arrangements do not contain a significant financing component.

Costs of Obtaining and Fulfilling a Contract with a Customer

Costs to obtain a contract with a customer generally are incurred regardless of whether the contract was obtained and are expensed as incurred. Certain costs incurred in fulfilling a contract generally are related directly to contract performance and are capitalized as prepaid commissions. The Company pays employee commission upon sale and recognizes the prepaid commission over the life of each contract.

Advertising Expense

Advertising expenses are charged to income during the year in which it is incurred. Advertising expense for the years ended December 31, 2023 and 2022 was \$11,196 thousand and \$7,925 thousand. Advertising expenses are included within the statements of operations relating to

GOLFTEC Enterprises, LLC

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

the business segment the spend related to, this being SkyTrak or the Company-owned centers operating expense.

Employee Retention Credit

The Employee Retention Credit (ERC), a provision of the CARES Act, was extended through December 31, 2022 through the American Rescue Plan Act. On November 15, 2021, the Infrastructure Investment and Jobs Act was signed into law and retroactively ends the ERC on October 1, 2021. For the second, third, and fourth quarters of 2020, the Company amended payroll tax returns originally filed in order to claim the refundable ERC for those periods.

The ERC includes conditions that must be met to qualify for the credit, including having operations suspended to comply with a government order related to COVID-19 and incurring eligible payroll expenses. As a result of uncertainty in terms of receiving the credit, the Company did not recognize any benefit from the 2020 ERC program in 2021, in which approximately \$1,700 thousand of credits were submitted to the Internal Revenue Service (IRS) in December 2021.

In 2023, the Company received \$1,775 thousand of ERC related funds which includes interest of \$75 thousand. This has been accounted for as a gain in 2023 included within other income of the consolidated statements of operations.

Recently Adopted and Issued Accounting Pronouncements

The accounting standard-setting organizations frequently issue new or revised accounting rules through Accounting Standard Updates ("ASU"). The Company regularly reviews new pronouncements to determine their impact, if any, on its Consolidated Financial Statements and related disclosures.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326). The standard is intended to improve financial reporting by requiring earlier recognition of credit losses on financing receivables and other financial assets in scope. Additional disclosure requirements include methods for estimating allowances for credit losses, key assumptions used in developing those estimates and enhanced disclosure of credit risk inherent in the Company's assets. ASU 2016-13 is effective for the Company for annual reporting periods beginning after December 15, 2022. The Company adopted the standard January 1, 2023, and it did not have a material impact on its consolidated financial statements.

3. Business Acquisitions

On August 31, 2022, the Company acquired certain assets from SkyHawke Technologies LLC for \$67,316 thousand, which was financed through debt from the Parent. Additionally, the Company incurred a total of \$1,584 thousand in expenses related to the acquisition which was financed through equity funding from the Parent and classified as Company-owned center operating expenses within the statements of operations. As a result of this acquisition, the Company will be able to offer a streamlined experience in golf training and practice, both in its centers and in student's homes.

GOLFTEC Enterprises, LLC

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

Determining the fair values of the assets and liabilities acquired from SkyHawke requires judgement and certain assumptions to be made. The most significant of these being related to the valuation of distribution agreement and trade name. The majority of the measurements of assets acquired and liabilities assumed are based on inputs that are not observable in the market, and therefore represent Level 3 inputs. Valuations of significant intangibles were performed using the Income Approach method. The fair value of the distribution agreement was measured using valuation techniques that convert future cash flows to a single discounted amount. The fair value of the trade name was measured using a relief from royalty method. Significant inputs and assumptions to the valuation of intangible assets include estimates of future revenues and operating costs, royalty rates, a market-based weighted-average cost of capital rate of 23 percent. These inputs require significant judgments and estimates by management at the time of the valuation. The purchase price allocation analysis was completed as of December 31, 2022.

The following table summarizes the acquisition date fair values of the assets acquired and liabilities assumed:

(in thousands)

Total consideration paid	\$ 67,316
Accounts receivable	299
Inventory	4,103
Property and equipment	5
Other assets	1,970
Accrued liabilities	(698)
Deferred revenue	(2,175)
Trade name	7,940
Distribution agreement	17,370
Other intangibles	4,230
Total net assets acquired	33,044
Goodwill	\$ 34,272

The intangible assets, consisting of Trade Name, acquired Software, Non-Compete agreements, Distribution Agreements and Customer Relationships, are amortized over a period of between two to seven years.

The Goodwill is attributable to the acquired workforce and significant synergies through economies of scale with the acquisition of overlapping and complementary products.

GOLFTEC Enterprises, LLC
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

4. Property and Equipment

Property and equipment are summarized as follows:

<i>(in thousands)</i>	2023	2022
Machinery and equipment	\$ 13,419	\$ 10,993
Leasehold improvements	41,715	35,445
Computer equipment and software	2,564	2,379
Furniture and fixtures	8,494	6,805
Capitalized software development costs	17,854	12,891
Construction in progress	2,123	1,466
Total cost	86,168	69,979
Accumulated depreciation and amortization	41,951	31,163
Net property and equipment	\$ 44,217	\$ 38,816

Depreciation expense for the years ended December 31, 2023 and 2022 was \$8,202 thousand and \$6,302 thousand, respectively

At December 31, 2023 and 2022, the Company had accumulated amortization for capitalized software of \$11,391 thousand and \$8,411 thousand, respectively. Amortization expense for capitalized software was \$2,981 thousand and \$1,946 thousand for the years ended December 31, 2023 and 2022.

5. Intangible Assets

Intangible assets of the Company at December 31, 2023 and 2022 are summarized as follows:

<i>(in thousands)</i>	Weighted-Average Life (in years)	2023	
		Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets			
Franchise agreements	3.27	\$ 3,990	\$ 3,245
Member relationships	-	873	873
SkyTrak Trade Name	13.6	7,940	706
SkyTrak Distribution Agreement	5.6	17,370	3,311
SkyTrak Other Intangibles	11.1	4,293	899
Other		398	80
Total amortized intangible assets		\$ 34,864	\$ 9,114

GOLFTEC Enterprises, LLC
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

		2022	
	Weighted-Average Life (in years)	Gross Carrying Amount	Accumulated Amortization
(in thousands)			
Amortized intangible assets			
Franchise agreements	3.64	\$ 3,924	\$ 2,863
Member relationships	-	873	873
SkyTrak Trade Name	14.72	7,940	177
SkyTrak Distribution Agreement	6.69	17,370	836
SkyTrak Other Intangibles	11.4	4,230	220
Other		80	80
Total amortized intangible assets		\$ 34,417	\$ 5,049

Amortization expense for intangible assets totaled \$3,971 thousand and \$1,822 thousand for the years ended December 31, 2023 and 2022, respectively.

6. Accrued Expenses

The following is the detail of current accrued expenses:

<i>(in thousands)</i>	2023	2022
Accrued compensation - Short Term	\$ 7,639	\$ 6,090
Accrued interest	3,063	1,905
Accrued credit card payable	1,260	1,525
Accrued sales and use tax	775	520
Accrued property taxes	383	342
Demo Clubs	1,381	1,303
Accrued other	7,314	2,939
Total accrued expenses	<u>\$ 21,815</u>	<u>\$ 14,624</u>

7. Deferred Revenue (Contract Liabilities)

Deferred revenue consisted of the following:

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<i>(in thousands)</i>	2023	2022
Unearned lesson package revenue	\$ 31,667	\$ 31,687
Club deposits, Layaways	1,531	902
Unearned revenue - franchise	780	873
Gift cards	359	-
Unearned revenue - SkyTrak memberships	3,171	2,617
Total deferred revenue	<u>\$ 37,508</u>	<u>\$ 36,079</u>

8. Long-Term Debt

Long-term debt as of December 31, 2023 and 2022 is as follows:

<i>(in thousands)</i>	2023	2022
On July 2, 2018, the company entered into an unsecured line of credit with the parent that requires each advance to be a separate promissory note. As of December 31, 2023 and 2022, the advances bear interest ranging from 7.24 to 8.40 percent and 6.69 to 8.18 percent, respectively, requiring the principal and all accrued but unpaid interest to be paid on various maturity dates in 2024 and 2025	\$ 39,000	\$ 20,500
On August 29, 2022, the company entered into an unsecured loan with the parent. As of December 31, 2023 and 2022, the loan bears interest at 4.5% and 5.95%, respectively. Repayment of \$1,625 thousand occurs quarterly at the end of January, April, July, and October until the loan is paid in its entirety on July 30, 2027.	58,500	65,000
On August 29, 2022, the SkyTrak company entered into an unsecured line of credit with the parent that requires each advance to be a separate promissory note. As of December 31, 2022 the single advance bears interest at 5.95 percent requiring the principal and all accrued but unpaid interest to be paid on August 31, 2023	-	4,000
Total debt	<u>97,500</u>	<u>89,500</u>
Less:		
Current portion	21,500	10,500
Unamortized loan issuance costs	-	-
Long-term portion	<u>\$ 76,000</u>	<u>\$ 79,000</u>

GOLFTEC Enterprises, LLC

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The balance of the above debt matures as follows:

<i>(in thousands)</i>	Amount
Year Ending	
2024	\$ 21,500
2025	30,500
2026	6,500
2027	39,000
2028	
	\$ 97,500

The Company has a line of credit agreement with the Parent, which the Company can draw upon up to a cap of \$48,000 thousand and \$25,500 thousand at December 31 2023, and 2022, respectively. Under the line of credit agreement, each advance is considered a separate promissory note. The Company can draw upon the line of credit at any time with no minimum requirements, up to the agreed upon cap. In addition, the Company can repay the various lines of credits at any time with excess cash. While the line of credit commitment period is through December 31, 2024, the Company has up to two years to repay any new lines of credit drawn.

Interest is payable upon maturity of each line of credit advance at a rate of 2.5 percent above the Secured Overnight Financing Rate (SOFR) (an effective rate of 7.88 and 8.18 percent as of December 31, 2023 and 2022, respectively). The line of credit is unsecured. As of December 31, 2023 and 2022, the Company had \$6,000 thousand and \$5,000 thousand, respectively, available to draw on the line of credit and had drawn ten advances, for a total balance outstanding of \$42,000 and \$20,500 thousand, for December 31, 2023 and 2022, respectively.

The Company's line of credit agreement with the Parent, which the Company can draw upon up to cap of \$48,000 thousand, ends on December 31, 2024. The Company works to refinance and extend the commitment period annually with the Parent in the latter half of the year. In the event the Company is unable to refinance the related party line of credit, the Company has a written commitment from Parent to provide both operational and financial support for at least 12 months and a day from the date that these financial statements are available to be issued to ensure the Company has adequate liquidity to meet its obligations and fund its operations in the event that such financing or working capital requirements arise.

The terms of the unsecured loan with Parent require the Company to maintain certain financial covenants. The lenders are involved with daily operations and aware of the financial status of the Company. As of December 31, 2023 and 2022, the Company was in compliance with the financial covenants.

On April 8, 2020, the company received funds under the CARES Act PPP of \$6,458 thousand with interest accruing at 1 percent. The loan was originally due in April 2022 however in February 2022, the entire amount of loan and interest was forgiven and is included in Other income within the consolidated statements of operations.

9. Leases

The Company leases all of its 176 centers and its two distribution centers under non-cancellable operating leases that expire at various dates through 2033. The Company's centers generally

GOLFTEC Enterprises, LLC
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have initial lease terms of 5 to 10 years and contain various renewal options and rent escalation provisions. The lease agreements provide primarily for the payment of minimum annual rentals, costs of utilities, property taxes, maintenance, common areas and insurance.

Based on the criteria set forth in ASC Topic 842, Leases ("ASC 842"), the Company recognizes Right-Of-Use assets and lease liabilities related to leases on the Company's balance sheets. The Company determines if an arrangement is, or contains, a lease at inception. ROU assets represent the right to use an underlying asset for the lease term and lease liabilities reflect the obligation to make lease payments arising from the lease. At any given time during the lease term, the lease liability represents the present value of the remaining lease payments and the ROU asset is measured at the amount of the lease liability, adjusted for pre-paid rent, unamortized initial direct costs and the remaining balance of lease incentives received. Both the lease ROU asset and liability are reduced to zero at the end of the lease.

In addition to rent payments, leases for retail space contain payments for real estate taxes, insurance costs, common area maintenance, and utilities that are not fixed. The Company accounts for these costs as variable payments and does not include such costs as a lease component.

The components of lease expense were as follows:

<i>(in thousands)</i>	2023	2022
Operating lease costs	\$ 12,212	\$ 10,376
Variable lease costs	4,316	3,476

The following table discloses supplemental balance sheets information for the Company's leases:

<i>(in thousands)</i>	2023	2022
Operating Leases		
ROU assets, net	\$ 65,373	\$ 57,827
Lease liabilities, short-term	12,354	10,051
Lease liabilities, long-term	65,401	58,123

The following table discloses the weighted-average remaining lease term and weighted average discount rate for the Company's leases:

<i>(in thousands)</i>	December 31, 2023	December 31, 2022
Weighted average remaining lease term (years)		
Operating leases	6.91	6.52
Weighted average discount rate		
Operating leases	2.43 %	1.67 %

Future minimum annual commitments under these operating leases are as follows:

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<i>(in thousands)</i>	Lease Payments
Year Ending December 31, 2023	
2024	\$ 13,832
2025	13,629
2026	12,300
2027	11,046
2028	9,457
Thereafter	25,012
	85,276
Less: Effects of discounting	7,521
Lease liabilities recognized	\$ 77,755

10. Long-Term Incentive Plan

On January 1, 2020, the Company adopted the Long-Term Incentive Plan (the "Plan") to incentivize and retain employees. All employees and consultants of the Company are eligible to receive units under the Plan. The Plan is structured to award participants with units that represent the right to receive certain compensation in the future, subject to a risk of cancellation and the other terms and conditions set forth in the Plan, a grant certificate, and any additional terms and conditions set by the Long-Term Incentive Plan committee (the "Committee"). The Committee, in its sole discretion, may at any time grant to one or more participant's units as the Committee determines appropriate. Until the Plan's units are granted to a participant and have vested (3-year period), in full or in part, the participant shall not be entitled to benefits under the Plan. The unit holders are entitled to receive cash upon vesting of their units in an amount equal to the difference in fair value and stated exercise price. There are 1,000,000 units available to grant. The Plan is valued based on ASC 718 and is liability classified.

A summary of the LTIP activity for the Plan for the years ended December 31, 2023 and 2022 is as follows:

GOLFTEC Enterprises, LLC
Notes to Consolidated Financial Statements
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	Units	Life Remaining (years)
Unvested as of December 31, 2021	52,450	1.5
Granted	-	-
Vested	(26,000)	-
Forfeited	-	-
Unvested at December 31, 2022	26,450	1
Granted	-	-
Vested	(26,450)	-
Forfeited	-	-
Unvested at December 31, 2023	-	-

During 2020 and 2021 the Company began accruing for the portion of the grants that are expected to be fully vested in 2022 and 2023 under ASC 718 *Compensation — Stock Compensation*. The Company had an expense recovery of \$856 thousand in 2023 due to a reduction in the fair value of the grants which decreased the Plan's liability as of December 31, 2023. For the year ended December 31, 2022 total expenses relating to the Plan was \$2,923 thousand. These items are included in Company-owned centers operating expenses within the statements of operations for the years ending December 31, 2023 and 2022, respectively. The Company notes that the 26,000 units granted in 2020 legally vest on January 1, 2023, but for GAAP purposes all expense related to these grants has been recognized as of December 31, 2022.

The total liabilities accrued related to the Plan were \$1,442 thousand and \$5,288 thousand as of December 31, 2023 and 2022 and are included in other long term liabilities on the accompanying consolidated balance sheets, respectively. The Company paid out \$2,990 thousand in 2023 related to shares vested in December 31, 2022. As of December 31, 2023, 52,450 shares are fully vested and the Company paid out \$1,331 thousand in March of 2024.

No units have been forfeited for the years ended December 31, 2023 and 2022. In the event of a forfeiture, that event would be recognized as it occurs.

Effective December 20, 2022, the Company adopted an additional Long-Term Incentive Plan to incentivize and retain employees ("the 2nd LTIP Plan"). All employees and consultants of the Company are eligible to receive units under the 2nd LTIP Plan. The 2nd LTIP Plan is structured to award participants with units that represent the right to receive certain compensation in the future, subject to a risk of cancellation and the other terms and conditions set forth in the 2nd LTIP Plan, a grant certificate, and any additional terms and conditions set by the Long-Term Incentive Plan committee (the "Committee"). The Committee, in its sole discretion, may at any time grant to one or more participants units as the Committee determines appropriate. Until the 2nd LTIP Plan's units are granted to a participant and have vested, in full or in part, the participant shall not be entitled to benefits under the 2nd LTIP Plan. The units vest upon the earlier of an IPO or the end of the vesting term (3 years). There are 1,000,000 units available to grant. This plan is valued based on ASC 718 and is equity classified.

The following table summarizes the total share-based compensation expense and excess tax benefits recognized:

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	2023	2022
Share-based compensation expense - equity awards	792	4
Income tax benefits recognized in earnings related to share-based compensation	-	-
Excess tax benefits related to share-based compensation	-	-

A summary of the LTIP activity for the 2nd LTIP Plan for the years ended December 31, 2023 and 2022 is as follows:

	Units	Weighted- Average Contractual Life Remaining (years)	Weighted- Average Exercise Price
Outstanding as of December 31, 2021	-	-	-
Granted	26,975	2	\$ 96.90
Exercised	-	-	-
Forfeited	-	-	-
Outstanding at December 31, 2022	<u>26,975</u>	<u>2</u>	<u>\$ 96.90</u>
Granted	-	-	-
Vested	-	-	-
Exercised	-	-	-
Forfeited	-	-	-
Outstanding at December 31, 2023	<u>26,975</u>	<u>1</u>	<u>\$ 96.90</u>
Unvested at December 31, 2023	<u>26,975</u>	<u>1</u>	<u>\$ 96.90</u>

GOLFTEC Enterprises, LLC

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Upon vesting of the units, the 2nd LTIP Plan allows the holder to purchase shares of the Company's common stock. The Company accounts for these shares under the fair value method of accounting using the Black-Scholes valuation model to measure expense at the date of the grant. Total unrecognized compensation cost under the 2nd LTIP Plan is \$676 thousand and will be recognized over an average period of 1 year.

Our weighted-average Black-Scholes fair value assumptions are as follow:

	2022
Expected life	6.015 years
Risk-free interest rate	3.69 %
Expected volatility	61.67
Expected dividend yield	0.00 %

The following is a summary of other share-based compensation data for the 2nd LTIP Plan:

	2022
Total number of units granted	26,975
Weighted-average grant-date fair value of units granted	\$ 54.58

Effective January 1, 2023, the Company adopted a third Long-Term Incentive Plan to incentivize and retain employees ("the New Plan"). All employees of the Company are eligible to receive units under the New Plan. The New Plan is structured to award participants with units that represent the right to receive certain compensation in the future, subject to a risk of cancellation and the other terms and conditions set forth in the New Plan, a grant certificate, and any additional terms and conditions set by the Long-Term Incentive Plan committee (the "Committee"). The Committee, in its sole discretion, may at any time grant to one or more participants units as the Committee determines appropriate. Until the New Plan's units are granted to a participant and have vested, in full or in part, the participant shall not be entitled to benefits under the New Plan.

A summary of the LTIP activity for the New Plan for the year ended December 31, 2023 is as follows:

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	<u>Units</u>	<u>Weighted-Average Contractual Life Remaining (years)</u>
Outstanding at December 31, 2022	-	-
Granted	69,200	2
Vested	-	-
Exercised	-	-
Forfeited	(50)	-
Outstanding at December 31, 2023	<u>69,150</u>	2
Unvested at December 31, 2023	<u>69,150</u>	2

These shares vest upon a Go-Public event, which is not probable as of December 31, 2023 and therefore no compensation expense has been recorded during the year ended December 31, 2023.

11. Related Party Transactions

The following is a description of transactions between the Company and related parties:

Management Fees

The Company pays a management fee to a corporation affiliated through common ownership. Management fees under the agreement totaled \$90 thousand and \$161 thousand for the years ended December 31, 2023 and 2022, respectively.

The Company pays a legal retainer fee to a corporation affiliated through common ownership. Legal retainer fees under the agreement totaled \$1 thousand and \$1 thousand for the years ended December 31, 2023 and 2022, respectively.

Lease Commitment

In 2017, the Company entered into a lease for space for a company-owned center from a corporation affiliated through common ownership. This relationship ended in November 2022. Lease payments made during the years ended December 31, 2023 and 2022 totaled \$0 thousand and \$94 thousand, and are included in the operating lease costs disclosed in Note 9, respectively.

Debt Agreements

All debt agreements as indicated in note 8 are with the Company's Parent.

GOLFTEC Enterprises, LLC
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12. Commitments and Contingencies

As of December 31, 2023 and 2022, the Company has placed deposits with suppliers of the Company's launch monitor and home studios in the amount of \$2,477 thousand and \$3,300 thousand, respectively. In the event the final payment is not made, these deposits would be forfeited. The Company issued payments for these deposits in the first and second quarters of 2023 and the corresponding equipment was received. These deposits are included in the Other Current Assets on the consolidated balance sheets.

The Company is involved, from time-to-time, in claims and legal proceedings arising in the ordinary course of business. Management believes that any liability from the ultimate resolution of these matters will not have a material adverse effect on the Company's financial condition, future results of operations or liquidity.

13. Subsequent Events

The consolidated financial statements and related disclosures include an evaluation of events up through and including July 23, 2024, which is the date the consolidated financial statements were available to be issued.

EXHIBIT H

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

This Nondisclosure and Noncompetition Agreement (the “**Agreement**”) is made and entered into effective this ____ day of _____, 20__ by and between **GOLFTEC FRANCHISING LLC**, a Colorado limited liability company (the “**Company**”), located at 67 Inverness Drive East, Englewood, Colorado 80112 and _____ (the “**Associate**”), who resides at _____.

RECITALS

A. The Company is engaged in the business of selling franchises for the operation of retail facilities that provide golf instruction at all experience levels using digital video, impact analysis and motion analysis computers to measure a golfer's swing and comparing this information to the Company's database of over 150 tour players (“**GOLFTEC Improvement Centers**” or “**Improvement Centers**”), operating under the trademark “GOLFTEC” and related trade names and trademarks (“**Marks**”).

B. The Company has developed methods for establishing, operating and promoting Improvement Centers pursuant to the Company's distinctive business format, proprietary golf instruction techniques, systems, methods, procedures, software, patents, data, processes, marketing systems, inventions, discoveries, improvements, creations, designs, layouts, copyrights, trademarks and other proprietary information (“**Confidential Information**”) and such Confidential Information as may be further developed from time to time by the Company;

C. The Company has executed or intends to execute a franchise agreement with _____, a _____ (the “**Franchisee**”) under which the Company has granted or will grant to the Franchisee certain rights with regard to GOLFTEC Improvement Centers (“**Franchise Agreement**”).

D. The Company and its affiliates have established substantial goodwill and an excellent reputation with respect to the quality of products and services available, which goodwill and reputation have been and will continue to be of major benefit to the Company;

E. The Associate is or intends to become involved with the Franchisee in the capacity of an officer, partner, director, agent, general manager, member, Center Manager (as defined in the Franchise Agreement) or as a beneficial owner of the Franchised Business (defined below), or as an immediate family member of the Franchisee or a principal of the Franchisee and will have access to highly specialized training or the Confidential Information;

F. The Company and the Franchisee require that the Associate enter into this Agreement before the Associate shall be allowed to have access to the Confidential Information (i) as a material term of the Franchise Agreement; (ii) in order to protect the Company's confidential know-how and distinctive systems, designs, decor, trade dress, specifications, standards, training program, procedures and other trade secrets authorized or required by the Company for use in the operation of the Franchisee's GOLFTEC Improvement Centers (“**Franchised Business**”); (iii) in order to protect the Company's rights in, and the Franchisee's right to use, the Confidential Information; and (iv) in consideration of the Franchisee's association with the Associate; and

G. The Associate and the Company have reached an understanding with regard to nondisclosure by the Associate of Confidential Information and with respect to noncompetition by the Associate with the Company.

NOW THEREFORE, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Associate and the Company, intending legally to be bound, agree as follows:

1. **Confidential Information.** The Associate and the Company acknowledge that the distinctive business format, licensed golf instruction techniques, systems, methods, procedures, software, patents, data, processes, marketing systems, training programs, inventions, discoveries, improvements, creations, designs, layouts, copyrights, trademarks and information and know-how of the Company which are developed and utilized in connection with the operation of the Franchised Business are the Company's Confidential Information. Such Confidential Information is unique, exclusive property and a trade secret of the Company or its affiliate. The Associate acknowledges that any unauthorized disclosure or use of the Confidential Information would be wrongful and would cause irreparable injury and harm to the Company and its affiliates. The Associate further acknowledges that the Company has expended a great amount of effort and money in obtaining and developing the Confidential Information, that the Company and its affiliates have taken numerous precautions to guard the secrecy of the Confidential Information and that it would be very costly for competitors to acquire or duplicate the Confidential Information.

2. **Operations Manuals as Trade Secrets.** It is understood that Confidential Information, constituting "trade secrets", as used in this Agreement is deemed to include, without limitation, any and all information contained in the Company's Operations Manual (described in the Franchise Agreement) that may be provided, electronically or in written format, as one or more separate manuals, or written instructional guides, as the same are changed or supplemented from time to time, and any information of whatever nature which gives the Company and its affiliates an opportunity to obtain an advantage over its competitors who do not have access to, knowledge of or use of such written materials or information.

3. **Nondisclosure of Confidential Information.** The Associate shall not at any time, publish, disclose, divulge or in any manner communicate to any person, firm, corporation, association, partnership or any other entity whatsoever or use, directly or indirectly, for its own benefit or for the benefit of any person, firm, corporation or other entity other than for the use of the Company or the Franchisee, any of the Confidential Information of the Company or its affiliates.

4. **Noncompetition Covenant.** Except as authorized by the Company in order to operate the Franchised Business, the Associate hereby covenants and agrees that, during the term of the Franchise Agreement or the Associate's association with the Franchisee whichever is shorter, neither the Associate nor any member of the Associate's immediate family, shall:

- a. have any direct or indirect controlling interest as a disclosed or beneficial owner in a Competitive Business;
- b. perform services as a director, officer, manager, employee, golf instructor, consultant, representative, agent or otherwise for a Competitive Business; or
- c. divert or attempt to divert any business related to, or any customer or account of the Franchised Business, the Company's business or any other franchisee's business, by direct inducement or otherwise, or divert or attempt to divert the employment of any employee of the Company, its parent company GOLFTEC Enterprises, LLC, or another franchisee licensed by the Company, to any Competitive Business by any direct inducement or otherwise.

The term "**Competitive Business**" as used in this Agreement shall mean any business operating, or granting franchises or licenses to others to operate, a retail, wholesale, distribution, electronic commerce or mail order business deriving more than 10% of its gross receipts from golf instruction or the sale of

custom golf clubs. Notwithstanding the foregoing, the Franchisee shall not be prohibited from owning securities in a Competitive Business if such securities are listed on a stock exchange or traded on the over-the-counter market and represent 5% or less of that class of securities issued and outstanding.

As used in this Agreement, "immediate family" shall mean any parent, child, spouse or sibling of the Associate.

5. Post-Termination Covenant Not to Disparage or Compete. The Associate covenants and agrees that, for a period of two years after the effective date of termination, transfer or expiration of the Franchise Agreement for the Franchised Business, or for a period of two years after termination or cessation of the Associate's relationship with the Franchisee or the Franchised Business, whichever first occurs, neither the Associate, nor any member of the Associate's immediate family, shall (1) make any public statement or intentionally perform or do any other act prejudicial or injurious to the reputation, business or goodwill of GOLFTEC or any of its affiliates, its shareholders, the principals of any of its shareholders, or the respective predecessors of the foregoing, or otherwise intentionally interfere with the business of GOLFTEC or its affiliates, its shareholders, the principals of any of its shareholders, or the respective predecessors of the foregoing; or (2) have any direct or indirect interest as a disclosed or a beneficial owner, investor, partner, director, officer, manager, employee, consultant, representative or agent or in any other capacity in any Competitive Business located or operating within a 50 mile radius of the location of the Franchised Business, within 50 miles of any other franchised Improvement Center or within 50 miles of any Improvement Center owned by the Company or an affiliate of the Company or violate the provisions contained in Section 4.c. above. The restrictions of this paragraph shall not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent 5% or less of the number of shares of that class of securities issued and outstanding. The Associate and its immediate family members, officers, directors, shareholders, managers, equity owners, and/or partners expressly acknowledge that they possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of this covenant will not deprive them of their personal goodwill or ability to earn a living. Associate agrees that these terms are reasonable for the protection of our trade secrets, intellectual property, Technology Systems, Licensed Methods, proprietary and confidential information, and other protectable interests, based on the geographic scope of the business operations and the nature of Associate's position with the Company. Associate acknowledges that he or she has access to information of value or use to competitors, and therefore these limited restrictions on his or her future employment and business activities are fair and reasonable.

6. Injunction. The Associate hereby acknowledges and agrees that in the event of any breach or threatened breach of this Agreement, the Company shall be authorized and entitled to seek, from any court of competent jurisdiction, preliminary and permanent injunctive relief in addition to any other rights or remedies to which the Company may be entitled. The Associate agrees that the Company may obtain such injunctive relief, without posting a bond or bonds totaling more than \$1,000, but upon due notice, and the Associate's sole remedy in the event of the entry of such injunctive relief shall be dissolution of such injunctive relief, if warranted, upon hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by the Associate.

7. Effect of Waiver. The waiver by the Associate or the Company of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof.

8. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Associate and the Company and their respective heirs, executors, representatives, successors and assigns. This Agreement shall be binding on the Associate and enforceable by the Company regardless of whether or not it is signed by the Company.

9. **Third Party Beneficiary.** Associate acknowledges that the Franchisee is contractually obligated to Company under the Franchise Agreement to ensure Associate's compliance with this Agreement and the Company considers the Franchisee an express third-party beneficiary of this Agreement. Company may assign its rights hereunder to the Franchisee without notice to Associate, including without limitation, the right to seek injunctive relief as described in Section 6 above.

10. **Entire Agreement.** This instrument contains the entire agreement of the Associate and the Company relating to the matters stated forth herein. It may not be changed orally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought. The Recitals stated at the beginning of this Agreement are binding on the parties and are specifically incorporated herein by this reference.

11. **Governing Law.** This instrument shall be governed by and construed under the laws of the state of Colorado without regard to its conflict of law principles.

12. **Jurisdiction and Venue.** In the event of a breach or threatened breach by the Associate of this Agreement, the Associate hereby irrevocably submits to the jurisdiction of the state and federal courts of Colorado, and irrevocably agrees that venue for any action or proceeding shall be in the state and federal courts of Colorado. Both parties waive any objection to the jurisdiction of these courts or to venue in the state and federal courts of Colorado. Notwithstanding the foregoing, in the event that the laws of the state where the Associate resides prohibit the aforesaid designation of jurisdiction and venue, then such other state's laws shall control.

13. **Severability.** If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement which shall otherwise remain in full force and effect. If the restrictions concerning the time duration, geography, affected individuals or entities, or breadth of activity contained in Paragraphs 4 and 5 are held to be unenforceable under any applicable law, the arbiter of any dispute regarding this Agreement is hereby authorized to and shall make only such limited changes as are necessary to make the restrictions enforceable.

14. **Attorneys' Fees.** In any action at law or in equity to enforce any of the provisions or rights under this Agreement, the unsuccessful party in such litigation, as determined by the court in a final judgment or decree, shall pay the successful party or parties all costs, expenses and reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if such successful party shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment.

15. **Counterpart Originals.** This Agreement may be signed and transmitted in counterpart, via facsimile, electronically, as a scanned or imaged document attached to an email or online or otherwise, any of which shall have the same effect as the originals, but all of which, when taken together, to constitute one and the same instrument and shall be deemed to have the same binding and legally enforceable effect as if the document contained an original signature.

[signature page follows]

IN WITNESS WHEREOF, the parties have signed this Agreement on the date first above written.

COMPANY:
GOLFTEC FRANCHISING LLC

By: _____
Name/Title: _____
Date: _____

ASSOCIATE:

Print Name: _____
CAPACITY WITH FRANCHISED BUSINESS

EXHIBIT I

CERTIFIED PERSONAL COACH AGREEMENT

GOLFTEC^{®1+} CERTIFIED PERSONAL COACH AGREEMENT

This GOLFTEC Certified Personal Coach Agreement ("**Agreement**") is made this ____ day of _____, 20__, by and between:

COACH: FILL IN LEGAL NAME AND HOME ADDRESS
(hereinafter "**Coach**")

AND

(hereinafter "**Authorized Operator**")

Coach and Authorized Operator may hereinafter be collectively referred to as the "**Parties**" or individually as "**Party**" as is appropriate in the context.

WHEREAS, throughout the United States, **GOLFTEC Franchising LLC**, a Colorado limited liability company ("**GTFL**") offers franchises that provide golf instructional services, techniques, systems, methods, procedures, software, patents, designs, layouts, advertising, sales tools, promotional and marketing methods, technology and data, operational standards and specifications, and various other proprietary methods and trade secrets of doing business ("**Licensed Methods**") under GTFL Marks (defined below) through a network of centers operating under the name "GOLFTEC" (the "**GTFL Network**");

WHEREAS, Authorized Operator is an independent owner and operator of a GTFL franchise and is operating a GOLFTEC at an approved location in accordance with the Licensed Methods;

WHEREAS, GTFL and the GTFL Network have promoted the Licensed Methods and Marks for the benefit of all in the GTFL Network;

WHEREAS, the Coach desires, in accordance with the terms and conditions of this Agreement, to become affiliated with the GTFL Network by working as an employee or independent contractor to the Authorized Operator;

WHEREAS, GTFL has entered into a Franchise Agreement with Authorized Operator, which Franchise Agreement with Authorized Operator remains in full force and effect, for the purpose of licensing GTFL's and its affiliates' federal registered and common law service marks, trademarks, trade names, marks, certification marks, logos, slogans, designs and all federal and state registrations and applications for registrations thereof ("**Marks**") and its Licensed Methods; and

¹⁺ GOLFTEC[®] and related service marks are registered service marks of GOLFTEC Intellectual Property LLC

WHEREAS, Coach and Authorized Operator desire for Coach to become certified through GTFL to teach the confidential, proprietary, and trade secret GOLFTEC golf instruction method at Authorized Operator's GOLFTEC retail improvement centers ("**Improvement Center**");

NOW, THEREFORE, for and in consideration of the mutual promises set forth hereinafter and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Certification.** The Coach acknowledges that the GTFL Licensed Methods may permit only PGA MEMBER^{®2*} golf professionals or PGA[®] Apprentices to become GOLFTEC Personal Certified Coaches. The Coach represents and covenants that if, as of the date first written above he or she is a PGA MEMBER or PGA Apprentice, he or she will for the duration of this Agreement remain a PGA MEMBER or PGA Apprentice. The Coach acknowledges and agrees that in order to become certified by GOLFTEC he or she must successfully complete GOLFTEC University ("GTU") training program. Coach must be certified as a "**GOLFTEC Certified Personal Coach**" to provide golf instruction at, through or in connection with the Improvement Center only upon successful completion of the GTU program.

2. **Maintaining Certification.**

a. In order to maintain his or her certification as a GOLFTEC Certified Personal Coach and to protect the integrity of the GTFL System and Marks, the Coach shall be required to maintain certain minimum standards with respect to golf instruction at all experience levels using digital video, impact analysis and motion analysis computers to measure a golfer's swing. These standards will be provided to the Coach during GTU and throughout Coach's employment with the Authorized Operator. GTFL reserves the right to revise the standards as GTFL deems reasonably necessary. If the Coach fails to meet and maintain GTFL's standards, the Authorized Operator will notify the Coach, in writing, in which case the Coach shall be required to retrain in order to maintain continued certification by GOLFTEC. Such retraining must commence within 30 days after the date of notice from the Authorized Operator. In addition, Authorized Operator may periodically, but not more often than twice in any 12-month period, require the Coach to attend seminars, conventions or continuing development programs offered by GTFL for the benefit of all GOLFTEC Certified Personal Coaches. From time to time, whether in connection with such annual seminars and conventions or otherwise, the Coach may be evaluated by GTFL to determine his or her qualification for continued certification as a GOLFTEC Certified Personal Coach. If the Coach fails to meet GTFL's evaluation standards, GTFL will notify the Coach, in writing, and may require the Coach to take and pass to GTFL's satisfaction a recertification course and/or exam. The method used to evaluate the Coach shall be determined by GTFL in its sole discretion.

b. The Authorized Operator hereby agrees: (i) to ensure observance and maintenance of GTFL certification standards by Coach while Coach is employed by Authorized Operator as a GOLFTEC Certified Personal Coach; (ii) to pay any fees or expenses that Authorized Operator may be required to pay in accordance with its franchise agreement, license or similar agreement in connection with Coach's training, continuing development programs, and, if necessary, retraining for continued certification; (iii) to notify the Coach and GTFL in the event Authorized Operator observes Coach failing to meet or maintain GTFL's certification standards; and (iv) to facilitate retraining of Coach in the event of such need or to promptly take steps to replace Coach as Authorized Operator's Certified Personal Coach.

3. **No Employment Relationship.** The Parties acknowledge and agree that the Coach is an employee, independent contractor, agent or representative of the Authorized Operator. Nothing in this Agreement shall be deemed to make the Coach an employee, independent contractor, agent or

^{2*}PGA MEMBER[®] and related service marks are registered trademarks of The Professional Golfers' Association of America, Inc.

representative of GTFL or its parent company, subsidiaries or affiliates. The Coach agrees that he or she will not hold himself or herself out as an employee, independent contractor, agent or representative of GTFL or its parent company or subsidiaries. Coach acknowledges and agrees that no contractual relationship of any kind exists between Coach and GTFL. Coach agrees never to claim or assert that Coach is an employee of or an agent of GTFL, Coach further agrees to look solely to Authorized Operator for performance of the terms and conditions of this Agreement. Coach acknowledges that GTFL is not bound by, or subject to, the terms and conditions of this Agreement. GTFL shall not be liable to Coach for any expenses incurred by Coach, nor shall Coach have authority to bind GTFL by any promise or representation,

4. **Fees.** Any fees or expenses charged by GTFL in performing the training pursuant to this Agreement shall be paid by Authorized Operator in accordance with the terms of the Franchise Agreement entered into between GTFL and Authorized Operator.

5. **Exclusivity and Loyalty.** Coach shall perform his or her duties to Authorized Operator exclusively on behalf of and in the name of Authorized Operator and the GTFL Network. At all times during the term of this Agreement, Coach shall act under a duty of loyalty in support and in furtherance of the GTFL System and GTFL Network and shall maintain a proper attitude toward the public, Authorized Operator and Coach's fellow GTFL Coaches. Coach shall not engage in any acts or activities that disrupt the Authorized Operator's operations or are likely to adversely affect the image of Authorized Operator, the GTFL Network, other GTFL improvement centers or Coaches, or that may detract from or tend to undermine the growth of the GTFL Network, including without limitation, any acts in furtherance of any non-GTFL competing business or the establishment of, or acquiring an investment or ownership interest in, any non-GTFL competing business or the recruiting of any employee of the GTFL Network for any existing or future non-GTFL business which does or may compete with the GTFL Network, or the use of any disparaging, abusive, profane or offensive language in any social network media that might adversely or negatively reflect upon the GTFL Network. Any breach of this paragraph will constitute a material breach of this Agreement.

6. **Adherence to Policies and System Quality Standards.** Coach shall strictly observe all Improvement Center rules, procedures, standards, guidelines and policies (collectively "**Center Policies**") from time-to-time established by Authorized Operator for the operation of Authorized Operator's GTFL Improvement Center and the conduct of its staff. Specifically, but without limitation, Coach shall maintain the highest ethical standards in the conduct of Coach's activities, shall maintain Coach's personal appearance and appearance of Coach's work area in a clean and orderly manner and shall provide dependable, efficient, courteous, high-quality professional services to the public in a manner designed to maintain goodwill among the public for the entire GTFL System. Coach acknowledges that Coach's agreement to adhere to the Center Policies of Authorized Operator is a material consideration for the execution of this Agreement by Authorized Operator, and that such Center Policies have been established for the purpose of preserving the reputation, high standards and goodwill associated with the GTFL Marks. Coach acknowledges that such system standards do not govern the specific manner and means by which Coach conducts Coach's day-to-day activities by GTFL. Any breach of this paragraph will constitute a material breach of this Agreement.

7. **GTFL MARKS.**

A. Ownership of GTFL Marks. Coach acknowledges that GTFL is the exclusive owner of all right, title and interest in and to its Marks. Coach further acknowledges that the Marks have become widely known throughout the United States and are now famous. Coach also acknowledges that Authorized Operator has the right to use the Marks pursuant to, and solely in accordance with, Authorized Operator's Franchise Agreement.

B. Permitted Uses of Marks. Pursuant to the terms and conditions of this Agreement, Authorized Operator grants permission to Coach to use the Marks, but to do so only in connection with Authorized Operator's Improvement Center name and address so as to indicate that Coach is acting as Coach exclusively for Authorized Operator. Coach understands and agrees that Coach has no independent right to use of any of the Marks. Coach agrees to use the GTFL Marks only: (1) to signify that Coach is affiliated with, and acts on behalf of, Authorized Operator and as such, is an affiliate of the GTFL Network; and (2) to identify Authorized Operator as the entity on behalf of which Coach engages in the business of procuring and performing the obligations under this Agreement.

C. No Uses By or In Support of Third Party's Services or Programs. Coach is not authorized to and shall refrain from entering into any relationship with, or sponsorship or endorsement arrangement concerning, any third-party individual or entity where such relationship results in, involves, or purports to permit, the use or display by such third party of any of the GTFL Marks.

E. Material Breaches and Third-Party Beneficiaries. Any breach of any subparagraph of this paragraph shall constitute a material breach of this Agreement. Coach acknowledges and agrees that GTFL is a third-party beneficiary of this paragraph and, accordingly, may bring an action directly to enforce the provisions of this paragraph.

F. De-Identification. Following termination or expiration of this Agreement without renewal of Coach's affiliation with the GTFL Network or upon any other event, Coach shall refrain from all use of materials, Confidential Information, and GTFL Marks and distinguishing characteristics, and shall refrain from all representations, advertisements, actions and business activities that may mislead others in the public to believe Coach is still a part of, affiliated with or sponsored in some way by the GTFL Network. In addition, Coach shall not adopt or use any name, trademark, service mark, sign design, logo or other device that may likely cause consumer confusion or likely dilutes the distinctiveness of the GTFL Marks or the distinguishing characteristics.

8. **Non-Disclosure – Confidential Information and Trade Secrets.** The Coach acknowledges that GTFL and its affiliates operate and license others to operate GOLFTEC Improvement Centers in a highly competitive industry and that GTFL and its affiliates have established substantial goodwill and an excellent reputation with respect to the quality of products and services that they offer and provide to customers, which goodwill and reputation have been and will continue to be of major benefit to GTFL. The Coach acknowledges that GTFL will, during GTU and throughout Coach's employment with Authorized Operator, provide to the Coach highly specialized training in the use of GTFL's confidential, proprietary, and trade secret Licensed Methods and that GTFL will provide the Coach with access to commercially valuable information including the Licensed Methods, trade secrets, client lists and confidential and proprietary information of GTFL ("**Confidential Information**"), including the Confidential Information contained in the operations manual that Coach shall receive at GTU.

a. **Not Confidential Information.** The Confidential Information shall exclude any information which: (i) is or becomes part of the public domain through no act of the Coach; (ii) was demonstrably in the Coach's possession prior to disclosure by GTFL; or (iii) is independently developed by the Coach and not in the course of Coach's employment. If Coach is required by applicable law, legal process, or any order or mandate of a court or other governmental authority to disclose the Confidential Information or it is reasonably believed by Coach, based upon the advice of legal counsel, that the Confidential Information is required to be disclosed in defense of a lawsuit or other legal or administrative action brought against Coach, Coach shall give GTFL reasonable advance written notice of the Confidential

Information intended to be disclosed and the reasons and circumstances surrounding such disclosure, in order to permit GTFL to seek a protective order or other appropriate request for confidential treatment of the applicable Confidential Information.

b. Maintain Confidential Information. In order to protect GTFL's Confidential Information and as a material inducement for Authorized Operator to enter into this Agreement, the Coach agrees to treat all information he or she receives which comprises or is a part of the Confidential Information as proprietary and confidential and will not use, copy, disclose or distribute, either in writing, electronically, orally or otherwise, the Confidential Information without first obtaining GTFL's written consent. The Coach agrees and acknowledges that the protection and maintenance of the Confidential Information is essential to GTFL and the Authorized Operator and that any unauthorized use or disclosure of the Confidential Information will result in hardship and irreparable harm to GTFL and the Authorized Operator.

c. Trade Secret Information. The Coach acknowledges and agrees that the Confidential Information constitutes information which is secret and of value to GTFL and is subject to reasonable precautions by GTFL to keep such information confidential and/or secret. Coach also acknowledges and agrees that the Confidential Information is used in GTFL's business and gives GTFL a business advantage over competitors who do not know, use, or have access to the Confidential Information. For these reasons, Coach acknowledges and agrees that the Confidential Information of GTFL is a trade secret and is proprietary information that is very valuable to GTFL.

d. Ownership of Trade Secrets. The Coach agrees that he/she will not assert any rights in any trade secret information or other intellectual property even if such trade secret information or intellectual property is improved or developed by the Coach during his/her employment.

e. Return of Confidential and Trade Secret Information. The Coach agrees to return all Confidential Information, including all copies and records thereof, to GTFL upon receipt of request from GTFL, or upon separation from employment from Authorized Operator, whichever occurs first.

f. Irreparable Harm. Coach further acknowledges and agrees that any actual or threatened disclosure or unauthorized use of the Confidential Information will cause immediate and irreparable harm and loss to GTFL, and that an award of damages may be inadequate to compensate GTFL for the loss caused by such disclosure or use and shall be grounds for GTFL to seek immediate injunctive relief without the necessity of posting bond.

g. Material Breaches and Third Party Beneficiaries. Any breach of any subparagraph of this Section 8 shall constitute a material breach of this Agreement. Coach acknowledges and agrees that GOLFTEC Enterprises LLC is a third-party beneficiary of this Section 8 and, accordingly, may bring an action directly to enforce the provisions of this Section.

9. **Non-Compete Restrictive Covenant for Protection of Trade Secrets.**

a. Non-Competition. GTFL has dedicated substantial time, effort and money in developing and providing GTU to Coach. The training program and its content employs, utilizes, publishes and constitutes and incorporates trade secrets, proprietary and confidential information, goodwill and intellectual property of GTFL. These trade secrets and other protectable interests of GTFL represent a major benefit to GTFL and will continue to be a major benefit in the future. All individuals with knowledge of GTFL's trade secrets and other protectable interests are required to agree to similar restrictive covenants. The Coach also acknowledges that he or she will derive considerable benefit from participating in the training program. Consequently:

(i) During the term of this Agreement, the Coach shall not: (A) have any direct or indirect controlling interest as a disclosed or beneficial owner in a “Competitive Business” as defined below; (B) perform services as a director, officer, manager, employee, consultant, representative, golf instructor, agent or otherwise for a Competitive Business; or (C) divert or attempt to divert any business related to, or any customer or account of any Improvement Center by direct inducement or otherwise, or divert or attempt to divert the employment of any employee of GTFL, its parent company, GOLFTEC Enterprises, LLC, or any GTFL franchisee. The term “**Competitive Business**” as used in this Section 6 shall mean any business operating, or granting franchises or licenses to others to operate, a retail, wholesale, distribution, electronic commerce or mail order business deriving more than 10% of its gross receipts from golf instruction, golf conditioning, corporate entertainment and the sale of custom golf clubs. Notwithstanding the foregoing, the Coach shall not be prohibited from owning securities in a Competitive Business if such securities are listed on a stock exchange or traded on the over-the-counter market and represent 5% or less of that class of securities issued and outstanding.

(ii) The Coach expressly acknowledges that the foregoing covenant will not prohibit the Coach from acquiring employment as a golf professional and that the Coach has other opportunities for exploiting such skills and earning a living during the term of this restriction. Consequently, enforcement of the covenants made in this Section will not deprive him or her of his or her personal goodwill or ability to earn a living.

(iii) The Coach understands and agrees that this non-competition restriction is necessary and reasonable as to time and geographic scope to protect the trade secrets of GTFL as fully described in Sections 5 and 6.

(iv) The Coach understands and agrees that this restriction is necessary and reasonable as to time and geographic scope because the Coach is in a high-level executive or management position and is a professional Coach of the Authorized Operator.

(v) The Coach expressly acknowledges and agrees that due to the nature of the primary business of GTFL, the geographic region specified herein is essential to GTFL to successfully conduct its business. The Coach expressly acknowledges that the duration and geographic restriction on competition is fair and reasonable, based on the geographic scope of the GTFL business operations and based on his or her access to, amongst other things, trade secrets and protectable interests. The Coach acknowledges they he or she has had access to information of value or use to GTFL competitors, and therefore these limited restrictions on his or her future employment and business activities are fair and reasonable.

b. Infringement of or Challenge to Intellectual Property Rights. The Coach agrees to notify GTFL immediately of any apparent infringement of or challenge to the use of any intellectual property owned by GTFL or of any claim by any person of rights in any intellectual property owned by GTFL. The Coach may not communicate with any person other than GTFL and/or its attorneys about the infringement, challenge or claim. GTFL has the right to take whatever action it deems appropriate and to control exclusively any litigation arising from any infringement, challenge or claim. The Coach must sign any documents, provide assistance and take any action that GTFL’s attorneys say are necessary or advisable in any litigation or proceeding related to the affected intellectual property or otherwise to protect and maintain GTFL's interests in such intellectual property.

c. Material Breaches and Third-Party Beneficiaries. Any breach of any Subparagraph of this Section 6 shall constitute a material breach of this Agreement. Coach acknowledges and agrees that

GOLFTEC Enterprises LLC is a third-party beneficiary of this Section 6 and, accordingly, may bring an action directly to enforce the provisions of this Section.

d. Consideration. The Coach acknowledges and agrees that he/she has received valuable consideration in exchange for agreeing to these non-competition and non-solicitation restrictions in the providing of training by GTFL at GTU of GTFL's proprietary and trade secret Licensed Methods and the granting of permission by GTFL to receive and have access to GTFL's Confidential Information.

10. Term and Termination.

a. This Agreement shall commence as of the day first written above, shall terminate upon the earlier of: (i) the expiration or termination of the Franchise Agreement granted by GTFL to Authorized Operator for the operation of the Improvement Center through which Coach is employed; or (ii) the cessation of the Coach's employment or other relationship with the Authorized Operator, or another authorized operator approved by GTFL as provided in Section 6.c above. The Coach may terminate this Agreement upon 60 days prior written notice to GTFL and Authorized Operator. GTFL may terminate this Agreement and the Coach's certification as a GOLFTEC Certified Personal Coach immediately upon the Coach's failure to comply with the certification criteria set forth in Sections 1. and 2. above, including the Coach's obligation to maintain his or her status as a PGA MEMBER or PGA Apprentice, if applicable.

b. Upon the termination of this Agreement, the Coach shall be required to immediately (i) cease identifying himself or herself as being or having been a GOLFTEC Certified Personal Coach; (ii) cease teaching any of GOLFTEC's confidential, proprietary, and trade secret Licensed Methods in accordance with the restrictive covenants in Section 6. above unless he or she becomes affiliated with another GTFL authorized GOLFTEC Improvement Center and maintains his or her status as a GOLFTEC Certified Personal Coach; and (iii) return any and all copies of any Confidential Information in the Coach's possession or control, including the operations manual that the Coach received at GTU.

c. The Authorized Operator will promptly notify GTFL in the event of termination of Coach's employment and will take steps to ensure Coach's compliance with Coach's post-employment obligations described in this Agreement.

11. **Authorization for Right to Use of Photographic Likeness and Statistics.** The Coach hereby grants the Authorized Operator and GTFL the right to use the Coach's name, likeness, photograph and credentials in all forms and media for advertising, trade and other purposes for the promotion of GOLFTEC or the Improvement Center, including promotion through GTFL's website, and the Coach recognizes that, as a result of such use, the Coach's public visibility in the golf community may develop. Additionally, from time-to-time GTFL may request that the Coach provide a testimonial, statement or opinion for promotional use. If such testimonial, statement or opinion is provided to Authorized Operator or to GTFL from the Coach, the Coach authorizes its use by Authorized Operator or GTFL for promotional purposes. Any and all forms and media wherein the Coach's photographic likeness, statistics, testimonial, statement or opinions are used shall be the sole property of GTFL or its Affiliates.

12. Remedies.

a. Because of the difficulty of measuring economic losses to GTFL and its affiliates as a result of a breach of the restrictive covenants set forth herein, and because of the immediate and irreparable damage that would be caused to GTFL and its affiliates for which monetary damages would not be a sufficient remedy, it is hereby agreed that in addition to all other remedies that may be available to GTFL or its affiliates at law or in equity, GTFL and its affiliates shall be entitled to specific performance and any

injunctive or other equitable relief as a remedy for any breach or threatened breach of the aforementioned restrictive covenants.

b. If any party deems it necessary to enforce any term of this agreement by filing a legal action, including arbitration, or to seek the interpretation of any term of this agreement, the court, or arbitrator, shall award to the prevailing party costs, including discovery costs and expert witness fees, and reasonable attorneys' fees incurred by that party in such action, and any appeal thereof.

13. **Non assignability.** The rights granted to the Coach hereunder are personal to the Coach and therefore are not assignable by the Coach. Coach agrees and consents that this Agreement is freely assignable by GTFL.

14. **Survivability.** The provisions of Sections 4, 5, 6, 8, 9, 10, 11, 12, and 14-22 of this Agreement shall survive the expiration or termination of this Agreement.

15. **Invalidity.** If any provision of this Agreement shall be held, declared or announced void, voidable, invalid, unenforceable or inoperative for any reason by a court of competent jurisdiction or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provisions in this Agreement, which shall otherwise remain in full force and effect. If the restrictions concerning the time duration, geography, affected individuals or entities, or breadth of activity contained in Section 6 are held to be unenforceable under any applicable law, the arbiter of any dispute regarding this Agreement is hereby authorized by the Parties to and shall make only such limited changes as are necessary to rewrite the Agreement to make the restrictions enforceable.

16. **Modification.** This Agreement may not be modified or amended or any term or provision hereof waived or discharged except in a written document signed by all parties.

17. **Notices.** All notices sent or required to be given under this Agreement shall be sent in writing, by certified mail return receipt requested or by an overnight delivery service providing documentation of receipt, to the addresses listed above or at such other addresses as the Parties may designate from time to time, and shall be effectively given when deposited in the United States mail, postage prepaid or when delivered via overnight delivery, as may be applicable.

18. **Governing Law.** This instrument shall be governed by and construed under the laws of the state in which the Improvement Center is located, without regard to its conflict of law principles.

19. **Jurisdiction and Venue.** In the event of a breach or threatened breach by any of the Parties to this Agreement, each Party hereby irrevocably submits to the jurisdiction of the state and federal courts of Colorado, and irrevocably agrees that venue for any action or proceeding shall be in the state and federal courts of Colorado. The Parties waive any objection to the jurisdiction of these courts or to venue in the state and federal courts of Colorado. Notwithstanding the foregoing, in the event that the laws of the state where the Coach resides prohibit the aforesaid designation of jurisdiction and venue, then such other state's laws shall control.

20. **Obligations of Employee.** The obligations of the Coach set forth in this Agreement is independent of any other covenants or promise by Coach, and the existence of any claim or cause of action against GTFL or its affiliates, whether predicated upon this Agreement or any other agreement, shall not constitute a defense to the enforcement of this Agreement.

21. **No Rights or Licenses Granted.** No rights or licenses, express or implied, are hereby granted to Coach under any patents, copyrights, or trade secrets of GTFL as a result of or related to this

Agreement.

22. **Agreement to Inure to Benefit of Parties.** This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective heirs, executors, personal representatives, successors, and permitted assigns.

23. **No Waiver.** No waiver of any condition or covenant contained in this Agreement or failure to exercise a right or remedy by either party shall be considered to imply or constitute a further waiver of the same or any other condition, covenant, right or remedy.

24. **Entire Agreement.** This Agreement and the attached Exhibit is the sole and entire agreement between these three Parties relating to the subject matter hereof, and supersedes all prior understandings, agreements and documentation relating to the subject matter hereof. This Agreement does not supersede any Franchise Agreement between GTFL and the Franchisee but is in addition thereto. This Agreement shall not be modified except by written agreement signed by the Parties.

25. **Counterpart Originals.** This Agreement may be signed in counterpart, via facsimile, electronically or otherwise, any of which shall be an original document, but all of which, when taken together, to constitute one and the same instrument.

IN WITNESS WHEREOF, this Agreement is effective as of the date first above written.

AUTHORIZED OPERATOR:

By: _____
Print Name: _____
Title: _____
Date: _____

CERTIFIED PERSONAL COACH

Sign Name: _____
Print Name: _____
Date: _____

GOLFTEC^{®3+} CERTIFIED PERSONAL COACH TRANSFER AGREEMENT

THIS GOLFTEC CERTIFIED PERSONAL COACH TRANSFER AGREEMENT (the “**Agreement**”) is made this ____ day of _____, 20____, by _____ and _____ between _____ (“**Transferor**”), with its principal place of business at _____; _____ (“**Transferee**”), with its principal place of business at _____; and GOLFTEC Franchising LLC (“**GTFL**”), with its principal place of business at 67 Inverness Drive East,

³⁺ GOLFTEC[®] and related service marks are registered service marks of GOLFTEC Intellectual Property LLC

Suite A, Englewood, Colorado 80112. Transferor and Transferee are sometimes collectively referred to herein as the “**Parties**”.

WHEREAS, Transferor operates a GOLFTEC Improvement Center located at _____ under that certain Franchise Agreement, license or similar authority dated _____, 20__ from and with GTFL (the “**Transferor’s Agreement**”) and Transferee operates a GOLFTEC Improvement Center located at _____ under that certain Franchise Agreement, license or similar authority dated _____, 20__ from and with GTFL (the “**Transferee’s Agreement**”);

WHEREAS, Transferor employs _____, (“**Coach**”) with his or her primary residence located at _____, or has employed the Coach within the last one (1) year period, who has been trained at GOLFTEC University (“**GTU**”) and certified by GTFL as a GOLFTEC Certified Personal Coach to provide golf instruction at, through or in connection with the Transferor’s GOLFTEC Improvement Center;

WHEREAS, Parties are required to execute this Agreement in connection with any transfer of Coach’s employment with Transferor to a GOLFTEC Improvement Center that is not owned by Transferor; and

WHEREAS, Coach desires to transfer to and work for Transferee at Transferee’s GOLFTEC Improvement Center(s) and Transferee desires to hire Coach pursuant to the terms and conditions herein;

WHEREAS, this Transfer Agreement exists to provide for an orderly and fair means of compensating some portion of costs associated with training a Certified Coach when one Certified Personal Coach moves within the GTFL network, and is drafted solely for the purpose of preserving the reputation, high standards and goodwill associated with GTFL and its Affiliates’ name and Marks;

WHEREAS, this Transfer Agreement does not, and is not intended to, govern the specific means and manner by which GTFL or franchisees solicit, recruit, hire, or otherwise conduct each of their respective independent businesses;

WHEREAS, the Parties are required to execute this Agreement in connection with any transfer of Coach’s employment with Transferor to a GOLFTEC Improvement Center that is not owned by Transferor.

NOW, THEREFORE, for and in consideration of the mutual promises set forth hereinafter and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Conditional Acknowledgement. GTFL acknowledges the transfer of Certified Coach from the employ of Transferor at Transferor’s GOLFTEC Improvement Center(s) to Transferee at Transferee’s GOLFTEC Improvement Center(s), subject to the fulfillment of the following conditions:

1.1 Payment of GOLFTEC Certified Personal Coach Transfer Fee. On or before the first day that Coach is employed by Transferee, or such later date as the Parties shall agree, Transferee shall pay Transferor Ten Thousand and No/100 (\$10,000.00) USD as a non-refundable fee in connection with the transfer of employment of Coach, subject to then-current rates and terms (“**Transfer Fee**”), which amount conservatively estimates the costs associated with training a Certified Personal Coach. GOLFTEC reserves the right to increase this fee at its discretion, but such increase will not exceed 25% of the then-current Certified Personal Coach Transfer Fee.

1.2 Written Confirmation of Payment. Transferor and Transferee shall deliver to

GTFL a signed statement indicating payment of the Transfer Fee to Transferor.

1.3 Current Certification. At the time of transfer, Coach has a current, effective certification from GTFL to teach the confidential, proprietary, and trade secret GOLFTEC golf instruction method at and through GOLFTEC Improvement Centers and has on file with GTFL a current, executed GOLFTEC Certified Personal Coach Agreement.

1.4 Operations Manual. Comply with additional provisions and procedures as outlined in certain manuals, technical bulletins and written materials provided by GTFL to Transferee and Transferor from time to time, including the Coach Transfer Fee Model defined and described in the Operations Manual.

2. Release. Transferor and Transferee, for themselves and their respective current and former agents, principals, officers, directors, shareholders, guarantors, employees, representatives, attorneys, partners, parents, affiliates, subsidiaries, heirs, personal representatives, successors and assigns, fully and forever unconditionally release and discharge GTFL and its current and former agents, principals, officers, directors, shareholders, guarantors, employees, representatives, attorneys, partners, members, managers, parents, affiliates, subsidiaries, successors and assigns (collectively referred to as “**GTFL Affiliates**”) from any and all claims, demands, obligations, actions, liabilities and damages of every kind and nature whatsoever, at law or in equity, whether known or unknown to any of them, which they may now have against GTFL or GTFL Affiliates or which may thereafter be discovered, in connection with, as a result of, or in any way arising from the transfer of employment of Coach from Transferor to Transferee and payment of the Transfer Fee.

3. Transferee’s Acceptance of Coach. Transferee acknowledges that Transferor, GTFL and GTFL’s Affiliates shall not be liable for the repayment of any portion of the Transfer Fee if at any time after Transferee hires Coach, pays the Transfer Fee and: (i) Transferee determines that Coach does not meet Transferee’s standards or is otherwise not suitable for employment with Transferee, for any reason; (ii) Coach resigns, is terminated or is for any other reason no longer employed by Transferee; or (iii) Coach loses his or her GOLFTEC certification, in accordance with the applicable provisions of the GOLFTEC Certified Personal Coach Agreement. Transferee shall be obligated to conduct its own independent investigation into the character, qualifications and abilities of Coach. Transferee acknowledges and agrees that Transferor, GTFL and GTFL’s Affiliates are not liable for any statements or information or refusal to make statements or provide information about Coach’s character, qualifications or abilities in connection with the transfer of employment of Coach; therefore, Transferee releases, indemnifies, and holds Transferor, GTFL and the GTFL Affiliates harmless from any claim, obligation, liability, or damages, including attorneys’ fees and costs, arising from such statements or information or refusal to make such statements or provide such information.

4. Choice of Law and Dispute Resolution. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado. In the event of any dispute regarding this Agreement, its interpretation or enforcement, such dispute shall be settled by binding arbitration before one (1) arbitrator in the state of Colorado under the rules of the American Arbitration Association.

5. No Waiver. No waiver of any condition or covenant contained in this Agreement or failure to exercise a right or remedy by either party shall be considered to imply or constitute a further waiver of the same or any other condition, covenant, right or remedy.

6. Entire Agreement. This Agreement, in addition to the GOLFTEC Certified Personal Coach Agreement between Coach and Authorized Operator, are the sole and entire Agreement between the parties relating to the subject matter hereof, and supersede all prior understandings, agreements and documentation relating to the subject matter hereof. The parties specifically contemplate that the Franchise

Agreement between GOLFTEC Franchising LLC and the Authorized Operator is a separate agreement between these two parties and the GOLFTEC Certified Personal Coach Agreement and this GOLFTEC Certified Personal Coach Transfer Agreement are independent and separate agreements there from and do not supersede the Franchise Agreement. This Agreement shall not be modified except by written agreement signed by the Parties.

7. **Notices.** All notices required under this Agreement shall be sent in writing by certified mail return receipt requested or by an overnight delivery service providing documentation of receipt, to each party at their respective addresses set forth above, or such other address as any party may in the future designate in writing and shall be effectively given when deposited in the United States mail, postage prepaid or when delivered via overnight delivery, as may be applicable.

8. **Survivability.** The provisions of Sections 1, 2, 3 and 4 - 10 of this Agreement shall survive the expiration or termination of this Agreement.

9. **Severability.** If any provision of this Agreement shall be held, declared or announced void, voidable, invalid, unenforceable or inoperative for any reason by a court of competent jurisdiction or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provisions in this Agreement, which shall otherwise remain in full force and effect.

10. **Counterpart Originals.** This Agreement may be signed and transmitted in counterpart, via facsimile, electronically, as a scanned or imaged document attached to an email or online or otherwise, any of which shall have the same effect as the originals, but all of which, when taken together, to constitute one and the same instrument and shall be deemed to have the same binding and legally enforceable effect as if the document contained an original signature.

[signature page follows]

IN WITNESS WHEREOF, the parties have hereto set their hands as of the day and year first written above.

TRANSFeree:

(Transferee's Company Name)

By: _____
Print Name: _____
Title: _____

GOLFTEC FRANCHISING LLC

By: _____
Name/Title: _____
Date: _____

TRANSFEROR:

(Transferor's Company Name)

By: _____
Print Name: _____
Title: _____

EXHIBIT J

CLOSING ACKNOWLEDGEMENT

GOLFTEC FRANCHISING LLC

California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin franchisees should not complete this Acknowledgment Addendum. If a franchisee in one of these states does so, we will disregard and not rely on the Acknowledgment Addendum.

CLOSING ACKNOWLEDGEMENT

A. The following are true and correct:

1. Yes No I had a face-to-face meeting with a franchise marketing representative.

If yes, the date of said meeting was: _____

2. _____, 20__ The date which I received the Disclosure Document about the Franchise.

3. _____, 20__ The date I received a fully completed copy (other than signatures) of the Franchise Agreement I later signed.

4. _____, 20__ The earliest date on which I signed the Franchise Agreement or any other binding document (not including the Receipt of Prospectus).

5. _____, 20__ The earliest date on which I delivered cash, check or consideration to the franchise marketing representative or any other person.

B. In order to ensure that your decision to purchase a GOLFTEC franchise from GOLFTEC FRANCHISING LLC (“GTFL”) is based upon your own independent investigation and judgment, please complete and sign this Closing Acknowledgement.

1. I have not received any information, either verbal or written, regarding the sales, revenues, earnings, income or profits of GOLFTEC franchised improvement centers (“**Improvement Centers**”) from any officer, employee, agent or area sales representative of GTFL, except as stated in Item 19 of GTFL’s Disclosure Document.

2. I have not received any assurances, promises or predictions of how well my GOLFTEC Improvement Center will perform financially from any officer, employee, agent or area sales representative of GTFL, except as stated in Item 19 of GTFL’s Disclosure Document.

3. I have made my own independent determination that I have adequate working capital to develop, open and operate my Improvement Center.

4. I acknowledge that GTFL will give me written guidelines to assist me in locating a site for my Improvement Center, but I also understand that I am responsible for the final decision regarding the selection of a suitable site.

5. I am not relying on any promises of GTFL which are not contained in the GTFL franchise agreement.

6. I understand that my investment in a GOLFTEC Improvement Center contains substantial business risks and that there is no guarantee that it will be profitable.

7. I have been advised by GTFL and its representatives to seek professional legal and financial advice in all matters concerning the purchase of my GOLFTEC Improvement Center.

8. I acknowledge that the success of my GOLFTEC Improvement Center depends in large part upon my ability as an independent businessperson and my active participation in the day-to-day operation of the Improvement Center.

9. The name(s) of the person(s) with whom I dealt in the purchase of my GOLFTEC Improvement Center is/are _____.

10. This Acknowledgement Assignment may be executed in counterparts, all of which will have full force and effect as an original, including admission into evidence, and facsimile or electronic signatures shall constitute originals for all purposes.

Dated: _____, 20_____.

PROSPECTIVE FRANCHISEE

Print Name

By:_____
Name:_____
Title:_____

OR:
(if a corporation, LLC or partnership)

Company Name

By:_____
Name:_____
Title:_____

Owners:

By:_____
Print Name:_____

By:_____
Print Name:_____

EXHIBIT K

MULTI-STATE ADDENDUM

**ILLINOIS RIDER TO THE
GOLFTEC FRANCHISING LLC
FDD, FRANCHISE AGREEMENT and DEVELOPMENT AGREEMENT**

Item 5 of the Franchise Disclosure Document, Section 4.1 of the Franchise Agreement and Section 2.1 of the Development Agreement are amended to add the following:

"The payment of initial franchise fees will be deferred until franchisor has satisfied its preopening obligations to franchisee and franchisee has commenced doing business. The Illinois Attorney General's office imposed this deferral requirement due to franchisor's financial condition."

Item 17(v) of the Franchise Disclosure Document, Article 22 of the Franchise Agreement and Section 8.1 of the Development Agreement are amended to state that any provision that designates jurisdiction or venue in a forum outside the State of Illinois will not be enforceable and is amended to the extent required by Illinois law.

Item 17(v)(w) of the Franchise Disclosure Document, Article 22 of the Franchise Agreement and Section 8.1 Development Agreement are amended to state that "The governing law or choice of law clause that allows for jurisdiction or venue other than Illinois will not be enforceable under Illinois law and that Illinois law shall govern the Agreements. This governing law clause shall not be construed to negate the application of the Illinois Franchise Disclosure Act in all situations to which it is applicable.

Section 705(41) of the Illinois Franchise Disclosure Act states any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

No action for liability under the Illinois Franchise Disclosure Act shall be maintained unless brought before the expiration of three (3) years after the act or transaction constituting the violation upon which it is based, the expiration of one (1) year after the franchisee becomes aware of facts or circumstances reasonably indicating that he may have a claim for relief in respect to conduct governed by the Act, or ninety (90) days after delivery to the franchisee of a written notice disclosing the violation, whichever shall first expire. Item 17(b) and (k) of the Franchise Disclosure Document, Sections 17.2, 17.3 and 16.1 of the Franchise Agreement and Section 5.2 of the Development Agreement are amended accordingly.

The conditions under which a franchise can be terminated and your rights upon nonrenewal, as well as the application by which you must bring any claims, may be affected by Sections 705/19 and 20 of the Illinois Franchise Disclosure Act of 1987, 815 ILCS 705/19 and 705/20.

The Franchise Agreement and Development Agreement contain provisions requiring you to acknowledge certain statements which are prohibited by Illinois law, including acknowledgements that: you have read or understand the franchise disclosure document or any exhibit; you understand the risks associated with the purchase of the franchise; no representations outside of or different from any representation in the disclosure document or any exhibit are binding; the success of the franchise is dependent solely or primarily on you; and you have had the opportunity to consult with professional

advisors. These specific provisions of the Franchise Agreement and the Development Agreement are omitted as prohibited statements under Illinois law.

The Franchise Agreement and Development Agreement contain provisions that reiterate or duplicate representations or statements already made in the disclosure document and provisions that may have the effect of shifting the franchisor's disclosure obligations under federal or state law to you. These specific provisions of the Franchise Agreement and the Development Agreement are omitted as prohibited by Illinois law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

GOLFTEC FRANCHISING LLC

FRANCHISEE

By:_____

By:_____

Name:_____

Name:_____

**MICHIGAN TO THE
GOLFTEC FRANCHISING LLC
FDD, FRANCHISE AGREEMENT and DEVELOPMENT AGREEMENT**

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you:

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provisions of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value, at the time of expiration, of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies equipment, fixtures, and furnishings not reasonably required in the conduct of the franchised business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years; and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer or ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed franchisee to meet the franchisor's then current reasonable qualification or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or sub franchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to:

State of Michigan Department of Attorney General
G. Mennen Williams Building, 7th Floor
525 Ottawa Street
Lansing, Michigan 48909
Telephone Number: (517) 335-7567
* * * *

Note: Notwithstanding paragraph (f) above, we intend to, and you agree that we and you will, enforce fully the provisions of the arbitration section of our agreements. We believe that paragraph (f) is unconstitutional and cannot preclude us from enforcing the arbitration provisions.

**NEW YORK RIDER TO THE
GOLFTEC FRANCHISING LLC
FRANCHISE AGREEMENT**

1. The following sentence shall be added after the first sentence of Section 8.3:

Any new or different requirement set forth in the Operations Manual shall not unreasonably increase the Franchisee's obligations or place an excessive burden on the Franchisee's operation of its Improvement Center.

2. The following shall be added at the end of Sections 16.2.f and 17.3.d:

Provided however, that all rights enjoyed by the Franchisee and any causes of action arising in the Franchisee's favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provision of GBL 687.4 and 687.5 be satisfied.

3. Section 16.6 is deleted and the following is inserted in its place:

This Agreement is fully assignable by the Franchisor and shall inure to the benefit of any assignee or other legal successor in interest, and the Franchisor shall in such event be fully released from the same, provided no assignment shall be made except to an assignee who, in the Franchisor's good faith judgment, is willing and able to assume the Franchisor's obligations under this Agreement.

4. The following shall be added at the end of Section 18.1:

The Franchisee may terminate the Agreement upon any grounds available by law.

5. After the first sentence of Section 19.3, the following sentence shall be added:

However, the Franchisee shall not be required to indemnify the Franchisor for any liabilities which arose as a result of the Franchisor's breach of this Agreement or other civil wrongs committed by the Franchisor.

6. The following shall be added to Section 22.3:

However, the foregoing choice of law shall not be considered a waiver of any right conferred upon the Franchisee by the provisions of Article 33 of the New York State General Business Law. This language has been included in this Franchise Agreement as a condition of registration. The Franchisor and Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement including all choice of law provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

7. The Franchise Agreement contain provisions requiring you to acknowledge certain statements which are prohibited by New York law, including acknowledgements that: you have read or understand the franchise disclosure document or any exhibit; you understand the risks associated with the purchase of the franchise; no representations outside of or different from any

representation in the disclosure document or any exhibit are binding; the success of the franchise is dependent solely or primarily on you; and you have had the opportunity to consult with professional advisors. These specific provisions within the Franchise Agreement are omitted as prohibited statements under New York law.

8. The Franchise Agreement contain provisions that reiterate or duplicate representations or statements already made in the disclosure document and provisions that may have the effect of shifting the franchisor's disclosure obligations under federal or state law to you. These specific provisions within the Franchise Agreement are omitted as prohibited by New York law.

9. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

GOLFTEC FRANCHISING LLC

_____ **FRANCHISEE** (Print Name)

By: _____
Name: _____

By: _____
Name: _____

**NEW YORK ADDENDUM TO THE
GOLFTEC FRANCHISING LLC
DEVELOPMENT AGREEMENT**

1. The following statement is added to the end of Section 5.1:

Provided, however, that Franchisor shall not transfer its rights and obligations hereunder unless, in Franchisor's reasonable judgment, the assignee is able to perform Franchisor's obligations under this Agreement.

2. The Development Agreement contain provisions requiring you to acknowledge certain statements which are prohibited by New York law, including acknowledgements that: you have read or understand the franchise disclosure document or any exhibit; you understand the risks associated with the purchase of the franchise; no representations outside of or different from any representation in the disclosure document or any exhibit are binding; the success of the franchise is dependent solely or primarily on you; and you have had the opportunity to consult with professional advisors. These specific provisions within the Development Agreement are omitted as prohibited statements under New York law.

3. The Development Agreement contain provisions that reiterate or duplicate representations or statements already made in the disclosure document and provisions that may have the effect of shifting the franchisor's disclosure obligations under federal or state law to you. These specific provisions within the Development Agreement are omitted as prohibited by New York law.

4. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

GOLFTEC FRANCHISING LLC

FRANCHISEE

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

**NEW YORK RIDER TO THE
LICENSE AGREEMENT**

1. The following statement is added to Section 13 of the License Agreement:

However, the foregoing choice of law shall not be considered a waiver of any right conferred upon the Licensee by the provisions of Article 33 of the New York State General Business Law. This language has been included in this License Agreement as a condition of registration. The Licensor and Licensee do not agree with the above language and believe that each of the provisions of the License Agreement including all choice of law provisions, are fully enforceable. The Licensor and the Licensee intend to fully enforce all of the provisions of the License Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

GOLFTEC FRANCHISE SERVICES INC.

LICENSEE

By: _____
Title: _____

By: _____
Title: _____

**ADDENDUM TO
GOLFTEC FRANCHISING LLC
DISCLOSURE DOCUMENT FOR THE STATE OF RHODE ISLAND**

1. The following paragraph is hereby added at the end of Item 17:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.” This language has been included in this Disclosure Document as a condition to registration. The Franchisor and Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all choice of law provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law provisions and other dispute resolution provisions.

2. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise

**RHODE ISLAND RIDER TO THE
GOLFTEC FRANCHISING LLC
FRANCHISE AGREEMENT**

1. The following paragraphs are hereby added at the end of Section 23.1:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

2. The Franchise Agreement contain provisions requiring you to acknowledge certain statements which are prohibited by New York law, including acknowledgements that: you have read or understand the franchise disclosure document or any exhibit; you understand the risks associated with the purchase of the franchise; no representations outside of or different from any representation in the disclosure document or any exhibit are binding; the success of the franchise is dependent solely or primarily on you; and you have had the opportunity to consult with professional advisors. These specific provisions within the Franchise Agreement are omitted as prohibited statements under New York law.

3. The Franchise Agreement contain provisions that reiterate or duplicate representations or statements already made in the disclosure document and provisions that may have the effect of shifting the franchisor’s disclosure obligations under federal or state law to you. These specific provisions within the Franchise Agreement are omitted as prohibited by New York law.

4. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

This language has been included in this Franchise Agreement as a condition to registration. The Franchisor and Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all choice of law provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law provisions and other dispute resolution provisions.

GOLFTEC FRANCHISING LLC

FRANCHISEE (Print Name)

By: _____
Title: _____

By: _____
Title: _____

**COMMONWEALTH OF VIRGINIA
RIDER TO THE
GOLFTEC FRANCHISING LLC
FRANCHISE AGREEMENT**

1. The following statement is added at the end of Section 18.2 of the Franchise Agreement:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute “reasonable cause” as that term may be defined in the Virginia Retail Franchise Act or the laws of Virginia, that provision may not be enforceable.

2. The Franchise Agreement contain provisions requiring you to acknowledge certain statements which are prohibited by New York law, including acknowledgements that: you have read or understand the franchise disclosure document or any exhibit; you understand the risks associated with the purchase of the franchise; no representations outside of or different from any representation in the disclosure document or any exhibit are binding; the success of the franchise is dependent solely or primarily on you; and you have had the opportunity to consult with professional advisors. These specific provisions within the Franchise Agreement are omitted as prohibited statements under New York law.

3. The Franchise Agreement contain provisions that reiterate or duplicate representations or statements already made in the disclosure document and provisions that may have the effect of shifting the franchisor’s disclosure obligations under federal or state law to you. These specific provisions within the Franchise Agreement are omitted as prohibited by New York law.

4. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**COMMONWEALTH OF VIRGINIA
RIDER TO THE
GOLFTEC FRANCHISING LLC
DEVELOPMENT AGREEMENT**

1. The following statement is added at the end of Section 4.3(b) of the Development Agreement:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Development Agreement does not constitute “reasonable cause” as that term may be defined in the Virginia Retail Franchise Act or the laws of Virginia, that provision may not be enforceable.

2. The Development Agreement contain provisions requiring you to acknowledge certain statements which are prohibited by New York law, including acknowledgements that: you have read or understand the franchise disclosure document or any exhibit; you understand the risks associated with the purchase of the franchise; no representations outside of or different from any representation in the disclosure document or any exhibit are binding; the success of the franchise is dependent solely or primarily on you; and you have had the opportunity to consult with professional advisors. These specific provisions within the Development Agreement are omitted as prohibited statements under New York law.

3. The Development Agreement contain provisions that reiterate or duplicate representations or statements already made in the disclosure document and provisions that may have the effect of shifting the franchisor’s disclosure obligations under federal or state law to you. These specific provisions within the Development Agreement are omitted as prohibited by New York law.

4. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ADDENDUM TO
GOLFTEC FRANCHISING LLC
DISCLOSURE DOCUMENT FOR THE STATE OF WASHINGTON**

The state of Washington has a statute, RCW 19.100.180 which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

Arbitration shall take place in the state of Washington, but only if “in-state” arbitration is a valid requirement of the Washington Franchise Investment Practices Act.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.

Arbitration shall take place in the state of Washington, but only if ‘in-state” arbitration is a valid requirement of the Washington Franchise Investment Practices Act.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

WASHINGTON RIDER TO THE GOLFTEC FRANCHISING LLC FRANCHISE AGREEMENT

These states have statutes which may supersede the Franchise Agreement in your relationship with us, including the areas of termination and renewal of your franchise: ARKANSAS [Stat. Sections 4-72-201 to 4-72-210], CALIFORNIA [Bus. & Prof. Code Sections 20000-20043], CONNECTICUT [Gen. Stat. Ch. 739, Sections 42-133e to 42-133h], DELAWARE [Title 6, Ch. 25, Code Sections 2551-2556], HAWAII [Title 26, Rev. Stat. Section 482E-6], ILLINOIS [ILCS, Ch. 815, Sections 705/1-705/44], INDIANA [Code Section 23-2-2.7-1 to 7], IOWA [Title XX, Code Sections 523H.1-523H.17], MARYLAND [MD. CODE ANN., BUS. REG. Sections 14-201 to 14-233 (2004 Repl. Vol.)], MICHIGAN [1979 Comp. Laws, Section 445.1527], MINNESOTA [1996 Stat. Section 80C.14], MISSISSIPPI [Code Sections 75-24-51 to 75-24-63], MISSOURI [Rev. Stat. Sections 407.400-407.410, 407.413, 407.420], NEBRASKA [Rev. Stat. Sections 87-401 to 87-410], NEW JERSEY [Rev. Stat. Sections 56:10-1 to 56:10-12], SOUTH DAKOTA [Codif. L. Section 37-5A-51], VIRGINIA [Code Sections 13.1-557-574], WASHINGTON [Rev. Code Sections 19.100.180, 19.100.190], WISCONSIN [Stat. Sections 135.01-135.07], DISTRICT OF COLUMBIA [Code Sections 29-1201 to 29-1208], PUERTO RICO [Ann. Laws, Title 10, Ch. 14, Sections 278-278d], VIRGIN ISLANDS [Code Ann., Title 12A, Ch. 2, Subch. III, Sections 130-139]. These and other states may have court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise.

Arbitration shall take place in the state of Washington, but only if 'in-state' arbitration is a valid requirement of the Washington Franchise Investment Practices Act.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

The Franchise Agreement contain provisions requiring you to acknowledge certain statements which are prohibited by New York law, including acknowledgements that: you have read or understand the franchise disclosure document or any exhibit; you understand the risks associated with the purchase of the franchise; no representations outside of or different from any representation in the disclosure document or any exhibit are binding; the success of the franchise is dependent solely or primarily on you; and you have had the opportunity to consult with professional advisors. These specific provisions within the Franchise Agreement are omitted as prohibited statements under New York law.

The Franchise Agreement contain provisions that reiterate or duplicate representations or statements already made in the disclosure document and provisions that may have the effect of shifting the franchisor's disclosure obligations under federal or state law to you. These specific provisions within the Franchise Agreement are omitted as prohibited by New York law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any

applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

GOLFTEC FRANCHISING LLC

FRANCHISEE (Print Name)

By: _____
Title: _____

By: _____
Title: _____

**ADDENDUM TO
GOLFTEC FRANCHISING LLC
DISCLOSURE DOCUMENT FOR THE STATE OF WISCONSIN**

REGISTRATION OF THIS FRANCHISE IN WISCONSIN DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

The conditions under which the Franchise Agreement can be terminated or not renewed may be affected by the Wisconsin Fair Dealership Law, Wisconsin Statutes 1981-82, Title XIV-A, Chapter 135.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**WISCONSIN RIDER TO THE
GOLFTEC FRANCHISING LLC
FRANCHISE AGREEMENT**

1. The following paragraph is added to Section 18.7:

The conditions under which the Franchise Agreement can be terminated or not renewed may be effected by the Wisconsin Fair Dealership Law, Wisconsin Statutes 1981-82, Title XIV-A, Chapter 135.

GOLFTEC FRANCHISING LLC

FRANCHISEE

By: _____
Title: _____

By: _____
Title: _____

EXHIBIT L

TERMINATION AND RELEASE AGREEMENT

TERMINATION AND RELEASE AGREEMENT

THIS TERMINATION AND RELEASE AGREEMENT (the “**Agreement**”) is made the day of _____, 20__, by and among _____, a _____ limited liability company (the “**Franchisee**”), _____ (hereinafter collectively the “_____s”), **GOLFTEC FRANCHISING LLC**, a Colorado limited liability company (“**GTFL**”) and **GOLFTEC ENTERPRISES LLC**, a Colorado limited liability company (“**GTE**”). GTE, GTFL, the _____ and the Franchisee may be collectively referred to herein as the “**Parties**” or individually as “**Party**” as is appropriate in the context. To the extent not defined herein, all initial capitalized references in this Agreement shall have the same meaning as defined in the Franchise Agreement.

RECITALS

A. GTFL franchises the operation of retail Improvement Centers that provide golf instruction to all experience levels under the trade name and service mark “GOLFTEC.”

B. Franchisee is a franchisee of GTFL and currently operates a GOLFTEC Improvement Center at _____ (“**Improvement Center**”), under the Franchise Agreement dated _____.

C. Franchisee was granted a software license for the Improvement Center on _____, (the “**Software License**”) authorizing Franchisee to use GTFL’s proprietary TECSWING software, CADDYMASTER, Online Scheduling, Sync software and modifications and enhancements thereto (collectively “**Software**”), which Software is used for the exclusive purpose of operating and managing the Improvement Center.

D. Franchisee wishes to sell all or substantially all of the assets of the Improvement Center to a third party (the “**Sale**”).

E. Pursuant to Section 16 of the Franchise Agreement, unless authorized by the Franchisor and unless Franchisee complies with the requirements set out therein, Franchisee may not transfer Franchisee's rights under the Franchise Agreement, nor sell all or substantially all of the assets of the Improvement Center.

F. Pursuant to Section 16.4 of the Franchise Agreement, the Franchisor has a 30-day first right of refusal to purchase the rights, interest or assets on the same terms and conditions as are contained in the offer from the third party in the Sale.

NOW, THEREFORE, in consideration of the terms and conditions hereinafter set forth, and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, agree as follows:

1. Prior to Franchisor authorizing the Sale, Franchisee shall first comply with all conditions stated in Section 16 of the Franchise Agreement including, but not limited to, payment of all amounts due and owing to the Franchisor and to third parties.

2. Effective as of the Effective Date, the Franchisee's rights under the Franchise Agreement, exhibits and amendments thereto, and affiliated agreements shall terminate.

3. Effective as of the Effective Date, the Software License between GTFL and Franchisee with respect to the Franchisee's right to have access to and to use the proprietary Software is hereby terminated.

4. The Parties hereby agree to mutually cooperate in the transition of the ownership of the Improvement Center to the new owner to ensure a smooth transition.

5. Franchisee and the _____s shall abide by the post-termination covenants not to compete set forth in Section 20 in the Franchise Agreement.

6. The _____s hereby agree that they shall not divert or attempt to divert any business related to, or any customer or account of the Improvement Center, by direct inducement or otherwise, or divert or attempt to divert the employment of any employee of the Improvement Center and the _____s shall abide by the other terms and conditions of the Nondisclosure and Noncompetition Agreements entered into between the _____s and GTFL.

7. Franchisor hereby waives its right of refusal to purchase the rights, interest or assets on the same terms and conditions as are contained in the offer from the third party in the Sale.

8. Franchisee and _____s irrevocably grant to GTFL, in addition to other legal remedies available to it, the right to apply for an injunction to enforce the covenants herein and the other terms and conditions of this Agreement. Franchisee and the _____s agree that GTFL may have such temporary or preliminary injunctive relief, without bond (or if a court of competent jurisdiction determines a bond is required, such bond shall in no event exceed \$500), but upon due notice, and the sole remedy of Franchisee and the _____s in the event of the entry of such injunctive relief will be the dissolution of such injunctive relief, if warranted, upon hearing duly held, all claims for damages by reason of the wrongful issuance of such injunction being expressly waived hereby.

9. As of the Effective Date, Franchisee and the _____s, for themselves, their respective heirs, personal representatives, affiliates, successors, assigns, agents, and representatives, hereby fully and forever unconditionally release and discharge GTFL, GTE and its subsidiaries, affiliates, employees, officers, directors, shareholders, owners, members, managers, successors, assigns, agents and representatives (collectively referred to as "GTFL Affiliates") from any and all claims, demands, obligations, actions, liabilities and damages of every kind and nature whatsoever, at law or in equity, whether known or unknown to any of them, which any of them may now have against GTE or GTFL Affiliates or which may thereafter be discovered, in connection with, as a result of, or in any way arising from, any relationship or transaction with GTFL or the GTFL Affiliates, however characterized or described, which relates in any way to the Improvement Center, the former franchise associated therewith, the Franchise Agreement, the Software License or any other agreements or rights or obligations between GTFL or GTE and Franchisee and the _____s from the beginning of time until the date of this Agreement with respect to the Improvement Center, except and unless such claim, demand, obligation, action, liability or damage arises from a breach or default in GTFL's or GTE's obligations to be fulfilled pursuant to this Agreement.

10. The Parties shall refrain from making any disparaging remarks or statements about the other or taking action that may impair the reputation or goodwill of the other Party, including comments or actions involving the Parties' current and former affiliates and parents, and their respective agents, representatives, employees, officers, directors, shareholders, members, managers, partners, equity owners, successors to any current or former employees of the Party.

11. Any notice, request, demand, statement or consent made hereunder shall be in writing and shall be personally delivered, sent by registered or certified mail, return receipt requested, or by a common commercial overnight courier service and shall be deemed given when delivered personally, or three days after deposit in the United States Mail, postage prepaid, or with proof of delivery, and properly addressed to the other Party(ies) at its (or their) address as set forth below. Each Party may designate a change of address by notice to the other Party(ies) in accordance with this section.

If to Franchisee:

If to GTFL: GOLFTEC Franchising LLC / GOLFTEC Enterprises LLC
67 Inverness Drive East, Suite A
Englewood, Colorado 80112
Attn: Legal

12. This Agreement shall be interpreted in accordance with the laws of the State of Colorado. Should any provision of this Agreement be found to violate the statutes or court decisions of the State of Colorado or of the United States, such provision shall be deemed to be amended to comply with and conform to such statutes or court decisions to affect the intent of the Parties hereunder.

13. This Agreement shall be binding upon and inure to the benefit of the successors, assigns, trustees, receivers, personal representatives, legatees and devisees of the Parties hereto.

14. In the event of any litigation between the Parties based upon an alleged breach or default in their respective obligations to be fulfilled pursuant to this Agreement, the prevailing Party therein shall be entitled to recover attorneys' fees and court costs against the non-prevailing Party(ies).

15. In the event of a breach of this Agreement, Franchisee and the _____s hereby irrevocably submit to the jurisdiction of the state and federal courts of Colorado, and irrevocably agree that venue for any action or proceeding shall be in the state and federal courts of Colorado. The Parties waive any objection to the jurisdiction of these courts or to venue in the state and federal courts of Colorado.

16. This Agreement may be signed and transmitted in counterpart, via facsimile, electronically, as a scanned or imaged document attached to an email or online or otherwise, any of which shall have the same effect as the originals, but all of which, when taken together, to constitute one and the same instrument and shall be deemed to have the same binding and legally enforceable effect as if the document contained an original signature.

17. This Agreement embodies the entire agreement and understanding between the Parties and supersedes all prior agreements and understandings related to the subject matter hereof.

18. This Agreement is effective the date on which the Sale is consummated.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be made effective on the Effective Date.

FRANCHISEE:

By: _____

_____, Individually

_____, Individually

GOLFTEC FRANCHISING LLC

By: _____

GOLFTEC ENTERPRISES LLC

By: _____

EXHIBIT M

GUARANTY OF PERFORMANCE BY PARENT COMPANY OF FRANCHISOR

GUARANTY OF PERFORMANCE BY PARENT COMPANY OF FRANCHISOR.

Guaranty of Performance

For value received, GOLFTEC Enterprises LLC, a Colorado limited liability company, located at 67 Inverness Drive East, Suite A, Englewood, Colorado 80112 absolutely and unconditionally guarantees the performance by its subsidiary, GOLFTEC Franchising LLC, a Colorado limited liability company, located at 67 Inverness Drive East, Englewood, Colorado 80112 of all of the obligations of , GOLFTEC Enterprises LLC in accordance with the terms and conditions of this Franchise Disclosure Document and related Franchise Agreement, as the same have been or may be amended, modified, renewed or extended from time to time. This guaranty shall continue in force until all obligations of GOLFTEC Franchising LLC under the franchise registration and Agreement shall have been satisfied or until liability to the franchisee under the Franchise Agreement has been completely discharged, whichever first occurs. GOLFTEC Enterprises LLC shall not be discharged from liability under this guaranty so long as any claim by the franchisee against GOLFTEC Franchising LLC remains outstanding. Notice of acceptance is waived. Notice of default on the part of GOLFTEC Franchising LLC is not waived. This guaranty shall be binding on GOLFTEC Enterprises LLC and GOLFTEC Franchising LLC.

In witness, Joseph L. Assell has, by a duly authorized officer, executed this guaranty at Englewood, Colorado on _____, 2025.

GOLFTEC ENTERPRISES LLC

By: _____
Joseph L. Assell
President & CEO

Attest: _____

EXHIBIT N

STATE EFFECTIVE DATES

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This document is effective and may be sued in the following states where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Not Registered
Hawaii	
Illinois	Not Registered
Indiana	Not Registered
Maryland	Not Registered
Michigan	Not Registered
Minnesota	Not Registered
New York	
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	Not Registered
Washington	Not Registered
Wisconsin	

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller assisted marketing plans.

EXHIBIT O

RECEIPT OF DISCLOSURE DOCUMENT

ITEM 23

RECEIPT

(Keep this copy for your records)

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 GOLFTEC 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 or grant. However, some state franchise laws (including Michigan, New York, Rhode Island and Washington) require us to provide this disclosure document to you at the first personal meeting held to discuss the franchise sale or at least 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate.

If GOLFTEC 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 and state law may have occurred and should be reported to the federal trade commission, Washington D.C. 20580 and the appropriate state agency identified on Exhibit A.

The franchisor is GOLFTEC Franchising LLC, located at 67 Inverness Drive East, Suite A, Englewood, Colorado 80112. Its telephone number is (303) 779-9900.

GOLFTEC Franchising LLC authorizes the respective state agencies identified on Exhibit A to receive service of process for GOLFTEC Franchising LLC in the particular state.

Dave Baltzer, located at 67 Inverness Drive East, Suite A, Englewood, Colorado 80112, (713) 392-6946, dbaltzer@golftec.com, is our, or is our affiliate's employee, and is involved in franchise sales activities.

I have received a disclosure document dated December 23, 2025, including the following Exhibits:

- A List of State Agencies/Agents for Service of Process
- B Franchise Agreement
 - Exhibit I Addendum to Franchise Agreement
 - Exhibit II Guaranty and Assumption of Franchisee's Obligations
 - Exhibit III Statement of Ownership
 - Exhibit IV Authorization Agreement for Prearranged Payments
 - Exhibit V Software License Agreement
 - Exhibit VI Build-Out Agreement
- C Development Agreement
- D Collateral Assignment of Lease
- E List of Affiliate and Franchisee-Owned Learning Centers
- F Franchisees Who Have Left the System
- G Financial Statements
- H Nondisclosure and Noncompetition Agreement
- I GOLFTEC Certified Personal Coach Agreement and Transfer Agreement
- J Closing Acknowledgement
- K Multi-State Addendum
- L Termination and Release Agreement
- M Guaranty of Performance by Franchisor's Parent Company
- N State Effective Dates and Receipts

Date

Prospective Franchisee

Print Name

RECEIPT

(Return this copy for our records)

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 GOLFTEC 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 or grant. However, some state franchise laws (including Michigan, New York, Rhode Island and Washington) require us to provide this disclosure document to you at the first personal meeting held to discuss the franchise sale or at least 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate.

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The franchisor is GOLFTEC Franchising LLC, located at 67 Inverness Drive East, Englewood, Colorado 80112. Its telephone number is (303) 779-9900.

GOLFTEC Franchising LLC authorizes the respective state agencies identified on Exhibit A to receive service of process for GOLFTEC Franchising LLC in the particular state.

Dave Baltzer, located at 67 Inverness Drive East, Englewood, Colorado 80112, (713) 392-6946, dbaltzer@golftec.com, is our, or is our affiliate's employee, and is involved in franchise sales activities.

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Prospective Franchisee

Date

Print Name