

FRANCHISE DISCLOSURE DOCUMENT



GradumGswing Franchising, LLC
7872 SW Jack James Drive, Unit 4
Stuart, Florida 34997
Franchise@gradumgswing.com
www.gradumgswing.com
888-947-2386

As a Gradum Gswing franchisee, you will operate a premier baseball/softball instruction service dedicated to teaching the proprietary Gswing method. With our personalized approach, advanced technology, and expert knowledge of swing mechanics and biomechanics, Gradum Gswing offers a comprehensive training experience that sets us apart from our competitors. Through video analysis, swing metrics, and exit velocity training, we empower players of all levels to enhance their hitting abilities and achieve their goals on the field.

The initial franchise fee that must be paid to the franchisor per location can range from \$50,000 to a maximum of \$250,000, as some territories carry premiums up to \$200,000. The premium is determined based on the marketability of the geographic area and tier of baseball market (example MLB or MILB location) in which you will locate your Gradum Gswing(s). This fee is uniform and is not refundable. Therefore, dependent upon premiums, the total investment necessary to begin operation of one Gradum Gswing franchise location is between \$330,000 to \$680,000.

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 governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, please contact Priscilla Garmendia, Esq., priscilla@gradumgswing.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 "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC- HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW. Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising. There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance date November 15, 2024

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 Exhibit G.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit E 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 Gradum Gswing business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Gradum Gswing franchisee?	Item 20 or Exhibit G lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

1. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Florida. 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 Florida than in your own state.
2. The franchise agreement states that Florida law governs the agreements, and this law may not provide the same protections and benefits as local law, you may want to compare these laws.

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

**(THE FOLLOWING APPLIES TO TRANSACTIONS GOVERNED BY
THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)**

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 protection 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 provision 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 franchise 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 of 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 transferee to meet the franchisor's then-current reasonable qualifications 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 W. Ottawa Street
Lansing, Michigan 48909
Telephone Number: (517) 373 7117

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Exhibits

- A. State Administrators and Agents for Service of Process
 - B. Franchise Agreement (with Exhibits)
 - C. Multi-Territory Development Agreement
 - D. Form of General Release
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 - F. Operations Manual Table of Contents
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Receipt (2 copies)

Item 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

In this disclosure document, “we,” “us,” or “our” refers to GradumGswing Franchising, LLC. “You” means the person to whom we grant a franchise. If you are a corporation, limited liability company, or other entity, each owner of the franchise entity must sign our Guaranty and Non-Compete Agreement, which means that all of the franchise agreement’s provisions also will apply to your owners.

Us, Any Parents, and Certain Affiliates

Our company name is GradumGswing Franchising, LLC. We are a Florida limited liability company that was formed on January 26, 2023. Our principal business address is 7872 SW Jack James Drive, Unit 4, Stuart, Florida 34997. We do business under the name Gradum Gswing. Neither we nor any of our affiliates have offered franchises in any other line of business. We do not have any predecessors or a parent company. GradumGswing Franchising, LLC does not operate a business of the type franchised. We have been offering franchises since the issuance date of this Disclosure Document; however, we have affiliates that have operated baseball swing instructional facilities since 2018. As of the issue date of this Disclosure Document, our affiliates operate fifteen (15) such facilities. The affiliated-operated locations are substantially similar to the franchise offered by this Disclosure Document. In addition, we have an affiliate, Gradum in a Box, LLC, which handles the build-out process for each and every Gradum Gswing location, ensuring consistency and quality in facility design and functionality. We also have another affiliate, Gradum Sports, LLC, which manages the retail division. This affiliate oversees branded merchandise and inventory, providing franchisees with a diverse range of high-quality products to support their operations and enhance the customer experience. Our agent for service of process in Florida is Priscilla Garmendia, Esq., 7872 SW Jack James Drive, Unit 4, Stuart, Florida 34997. Our agents for service of process for certain other states is disclosed on Exhibit A.

If you sign a franchise agreement with us, you will open and operate a premier baseball/softball instruction service dedicated to teaching the proprietary Gswing method. With our personalized approach, advanced technology, and expert knowledge of swing mechanics and biomechanics, Gradum Gswing offers a comprehensive training experience that sets us apart from our competitors. Through video analysis, swing metrics, and exit velocity training, we empower players of all levels to enhance their hitting abilities and achieve their goals on the field.

You may also choose to sign a Multi-Territory Development Agreement (attached as Exhibit C to this disclosure document), in which case you will develop multiple Gradum Gswing outlets within a territory, on an agreed-upon schedule. You must pay an initial franchise fee along with the Gradum in Box build out fee for each location you develop in the territory. For each future franchise unit under a Multi-Territory Development Agreement, we will require you to sign our then-current form of franchise agreement, which may be different from the form of franchise agreement included in this disclosure document.

Competition

Your products and services will be offered year-round to the baseball/softball players and athletes who desire to increase the efficacy of their baseball swing , including high school players, college players and Major League Baseball players. The market for these services is fragmented. You will compete for clients with local and regional baseball instructors, coaches and similar businesses.

Laws and Regulations

You will be subject to general business, employment and other laws and regulations such as the Americans With Disabilities Act (“ADA”), Occupational Safety and Health Act (“OSHA”), Fair and Accurate Credit Transactions Act (“FACTA”), privacy of consumer, employee and transactional information, payment card industry data security standards, wage and hour laws, and business licensing and permit requirements. You should consult with your attorney and local, state and federal government agencies opening your business, or any business, to determine all legal requirements and consider their effects on you and the cost of compliance. It is your sole responsibility to investigate, satisfy and remain in compliance with all local, state and federal laws, since they vary from place to place and can change over time.

Item 2 BUSINESS EXPERIENCE

Carlos Garmendia, Founder

Based in South Florida, Carlos Garmendia has been the Founder and Chief Operating Officer of GradumGswing Franchising, LLC since its inception in 2023. He also serves as the Chief Operating Officer of Gradum, LLC since June of 2016. Prior to his current roles, Carlos was drafted into Major League Baseball out of high school and spent four years playing at the NCAA level. He holds a Bachelor’s degree in Business Management from Rollins College and has over seven years of experience in business operations. Additionally, Carlos has trained numerous Major League Baseball players, drawing on his athletic and business expertise to develop talent at the highest levels.

William Pfaffmann, Chief Executive Officer

Based in Tennessee, William “Bill” Pfaffmann has served as the Chief Executive Officer of GradumGswing Franchising, LLC since August of 2024, bringing over 23 years of senior leadership experience across the automotive, manufacturing, and distribution sectors. He holds a Bachelor of Science in Mechanical Engineering from Kettering University and an MBA from Vanderbilt University. Prior to his current role, Bill joined Globe Life as Director of Sales in 2023. In 2020, Bill was recruited as part of Subway’s turnaround team, where he played a pivotal role in the acquisition and improvement of over 10,000 restaurants across North America, working with more than 3,000 franchisees. Prior to this, in 2007, Bill formed a private equity group that opened seven Dunkin’ Donuts/Baskin Robbins locations in Middle Tennessee within 15 months as part of a fast-growth business plan. He was elected by fellow franchisees to the advisory board, working directly with Dunkin’ senior leadership on business strategy and direction. His diverse experience in private equity, franchise management, and team building continues to drive growth and success in his leadership role at GradumGswing.

Priscilla Garmendia, Chief Legal Officer

Based in South Florida, Priscilla Garmendia serves as the Chief Legal Officer for GradumGswing Franchising, LLC since its inception in 2023. Prior to her current role, Priscilla served as an Accountant and Attorney for a family office. She brings extensive expertise in business and real estate law. Priscilla holds a Bachelor's in Finance with a minor in Chinese from Wake Forest University, a Master's in Accounting from Florida International University, and a JD from St. Thomas University School of Law.

Matthew Garmendia, Director of Fulfillment Training

Based in South Florida, Matthew Garmendia has served as the Director of Fulfillment Training at GradumGswing Franchising, LLC since its inception in 2023 and at Gradum, LLC since 2018. A former NJCAA College Player, Matthew has extensive experience in athletic training and business operations. Over the years, he has trained numerous Major League Baseball players, leveraging his expertise to develop talent and drive excellence in training and fulfillment operations.

**Item 3
LITIGATION**

We are currently the plaintiff in a lawsuit against a former franchisee. The litigation involves breaches of the franchise agreement, including violations of restrictive covenants related to confidentiality and the use of intellectual property following the termination of the franchise agreement. The case, GRADUMGSWING FRANCHISING, LLC et al v. Alexander Erro et al, is pending in Miami-Dade County, Florida.

This legal action has been initiated to protect the integrity of our franchise system and enforce compliance with the terms of our franchise agreements. We do not expect this matter to affect our ability to meet our obligations under this franchise offering or impact the rights or operations of current or future franchisees. We will provide updates to this disclosure as necessary.

**Item 4
BANKRUPTCY**

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

**Item 5
INITIAL FEES****Franchise Fee**

When you sign your franchise agreement, you must pay us an initial franchise fee. The initial franchise fee that must be paid to the franchisor per location can range from \$50,000 to a maximum of \$250,000, as some territories carry premiums up to \$200,000. The premium is determined based on the marketability of the geographic area and tier of baseball market (example

MLB or MILB location) in which you will locate your Gradum Gwing(s). This fee is uniform and is not refundable.

Other Fees.

Gradum in a Box build out - When you sign your franchise agreement, in addition to the initial franchise fee, you will make a payment to our affiliate, Gradum in a Box, LLC, ranging from \$250,000 to \$350,000. This payment covers the cost of providing you with a turnkey Gradum Gswing location, designed to streamline your startup process and set you up for success.

The Gradum in a Box package includes:

1. Site Selection – Assistance in identifying and securing an ideal location for your business.
2. Lease Negotiation – Expert support to negotiate favorable lease terms.
3. Build-Out of the Location – Comprehensive build-out services (excluding HVAC/heater installations if required).
4. Initial Personnel Recruitment and Screening – Assistance in finding and vetting qualified staff.
5. Franchisee and Personnel Training – Comprehensive training for you and your team, conducted at the Gradum facility in Port St. Lucie.
6. Launch Team – A dedicated team to help with your grand opening, on-site for up to two (2) weeks.

This all-inclusive package ensures your Gradum Gswing location is operational and ready to serve customers from day one.

Item 6 OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty	8% of your gross sales	Monthly	See Note 1 and Note 2.
Brand Development Fund Contribution	2% of your gross sales	Monthly	See Item 11 for a detailed discussion about these funds. Amounts due will be withdrawn by electronic funds transfer from your designated bank account.

Type of Fee	Amount	Due Date	Remarks
Market Cooperative Contribution	As determined by co-op. Currently, we do not have any cooperatives	Monthly	We have the right to establish local or regional advertising cooperatives. Any location owned by us, or any affiliate will have the same voting rights as our franchisees. Dues will be imposed by a majority vote. Contributions to a cooperative may offset the corresponding amount of any required local advertising.
Local Marketing Spending	5% of your gross sales	Monthly	See Note 3. You may only use promotional materials that we have provided to you or approved.
Replacement / Additional Training fee	Currently, \$500 per day plus expenses for travel, food, lodging	Prior to attending training	If you send a manager or other employee to our training program after you open, we will charge our then-current training fee.
Non-compliance fee/ Reimbursement for curing non-compliance	\$1,500 or Amount that we spend on your behalf, plus 10%	On demand	We may charge you \$1,500 if your training center is not in compliance with our system specifications or the franchise agreement and you fail to correct the non-compliance after 30 days' notice. If we pay any amount that you owe or are required to pay to a third party or if we cure non-compliance on your behalf (for example, if you do not have required insurance, we may purchase insurance for you), you must reimburse us our costs plus a 10% administrative fee
Customer complaint or governmental report	Our expenses	On demand	We may take any action we deem appropriate to resolve a customer complaint about your training center . If we respond to a customer complaint, we may require you to reimburse us for our expenses.

Type of Fee	Amount	Due Date	Remarks
Late fee	\$100 plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law)	On demand	We may charge a late fee if you fail to make a required payment when due.
Insufficient funds fee	\$30 (or, if such amount exceeds the maximum allowed by law, then the maximum allowed by law)	On demand	We may charge an insufficient funds fee if a payment made by you is returned because of insufficient funds in your account.
Costs of collection	Our actual costs	As incurred	Payable if we incur costs (including reasonable attorney fees) in attempting to collect amounts you owe to us.
Records audit	Our actual cost	On demand	Payable only if (1) we audit you because you have failed to submit required reports or other non-compliance, or (2) the audit concludes that you under-reported gross sales by more than 3% for any 4-week period.
Transfer fee	\$10,000 plus any broker fees and other out-of-pocket costs we incur	When transfer occurs	Payable if you sell your business.
Liquidated damages	An amount equal to royalty fees and marketing fund contributions for the lesser of (i) 5 years or (ii) the remaining months of the franchise term.	On demand	Payable if we terminate your franchise agreement because of your default, or if you terminate the franchise agreement without the right to do so.

Type of Fee	Amount	Due Date	Remarks
Indemnity	Our costs and losses from any legal action related to the operation of your franchise	On demand	You must indemnify and defend (with counsel reasonably acceptable to us) us and our affiliates against all losses in any action by or against us related to, or alleged to arise out of, the operation of your franchise (unless caused by our misconduct or negligence).
Prevailing party's legal costs	Our attorney fees, court costs, and other expenses of a legal proceeding, if we are the prevailing party	On demand	In any legal proceeding (including arbitration), the losing party must pay the prevailing party's attorney fees, court costs and other expenses.

All fees are payable only to us except the software subscription charges (software subscription charges does not include High Level or other CRM we may decide to use in the future that is to be paid to us). All fees are imposed by us and collected by us except the software subscription charges (software subscription charges does not include High Level or other CRM we may decide to use in the future that is to be paid to us). All fees are non-refundable. All fees are uniform for all franchisees, although we reserve the right to change, waive, or eliminate fees for any one or more franchisees as we consider appropriate. There are currently no marketing cooperatives, purchasing cooperatives, or other cooperatives that impose fees on you.

Notes

1. "Gross Sales" is defined in our franchise agreement as the total dollar amount of all sales generated through your business for a given period, including, but not limited to, payment for any services or products sold by you, whether for cash or credit. Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected, (iii) sale of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards or similar products shall be included in Gross Sales at the time of sale (not the time of redemption).

2. We currently require you to pay royalty fees and other amounts due to us by pre-authorized bank draft, wire, or ACH. However, we can require an alternative payment method.

3. Your expenditures for local advertising and marketing are made to third parties, not to us.

Item 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT - FRANCHISE AGREEMENT

Type of expenditure	Low Amount	High Amount	Method of payment	When due	To whom payment is to be made
Initial franchise fee (see Note 1)	\$ 50,000	\$250,000	Lump sum	Upon signing the franchise agreement	GradumGswing Franchising, LLC
Gradum in a Box (Build Out) (see Note 2)	\$ 250,000	\$350,000	Lump Sum	Upon signing the franchise agreement	Gradum in a Box, LLC
Real Estate/Rent (see Note 3)	\$ 3,000	\$ 14,500	As incurred	Upon signing lease	Landlord
Utilities	\$ 400	\$ 1,000	As incurred	Upon ordering service	Utility providers
Market Introduction Program	\$ 1,500	\$ 4,000	As incurred	As incurred or when billed	Vendors
Computer System (see Note 4)	\$ 3,000	\$ 5,000	As incurred	As incurred	Vendors and GradumGswing Franchising, LLC
Insurance	\$ 1,000	\$ 5,000	Lump sum	Upon ordering	Insurance company
Inventory	\$ 2,800	\$ 7,000	As arranged	Upon ordering	Gradum Sports, LLC
Licenses and Permits	\$ 800	\$ 2,500	Lump sum	Upon application	Government
Professional Fees (lawyer, accountant, etc.)	\$ 1,500	\$ 3,000	As arranged	As incurred or when billed	Professional service firms
Office Expense	\$ 1,000	\$ 3,000	As incurred	As incurred	Vendors
Additional funds (for first 3 months) (see Note 5)	\$ 15,000	\$ 35,000	Varies	Varies	Employees and utilities

Type of expenditure	Low Amount	High Amount	Method of payment	When due	To whom payment is to be made
Total (See Note 6)	\$330,000	\$680,000			

Notes

1. The initial franchise fee that must be paid to the franchisor per location can range from \$50,000 to a maximum of \$250,000, as some territories carry premiums up to \$200,000. The premium is determined based on the marketability of the geographic area and tier of baseball market (example MLB or MILB location) in which you will locate your Gradum Gswing(s). This fee is uniform and is not refundable. Your lease security deposit and utility deposits will usually be refundable unless you owe money to the landlord or utility provider. None of the other expenditures in this table will be refundable. Neither we nor any affiliate finances any part of your initial investment.

2. When you sign your franchise agreement, in addition to the initial franchise fee, you will make a payment to our affiliate, Gradum in a Box, LLC, ranging from \$250,000 to \$350,000. This payment covers the cost of providing you with a turnkey Gradum Gswing location, designed to streamline your startup process and set you up for success. The Gradum in a Box build out includes: (i) Site Selection – Assistance in identifying and securing an ideal location for your business; (ii) Lease Negotiation – Expert support to negotiate favorable lease terms; (iii) Build-Out of the Location – Comprehensive build-out services (excluding HVAC/heater installations if required); (iv) Personnel Recruitment and Screening – Assistance in finding and vetting qualified staff; (v) Franchisee and Personnel Training – Comprehensive training for you and your team, conducted at the Gradum facility in Port St. Lucie; and (vi) Launch Team – A dedicated team to help with your grand opening, on-site for up to two (2) weeks. This all-inclusive package ensures your Gradum Gswing location is operational and ready to serve customers from day one.

3. The typical size of your facility will range from 2,000 sq ft to 4,000 sq ft. The low end of the initial investment represents a one-month payment at the then current market lease rate for a such space. The high end represents a one and a half-month payment at the then current market lease rate. You may be required to pay a security deposit with your lease, usually equal to one-month rent. You may be able to negotiate a period of rent abatement (“free rent”) for the time reasonably required to build out the space (usually no longer than 1-2 months). We expect that you will rent your location. If you choose to purchase real estate instead of renting, your costs will be significantly different.

4. This estimate is based on the cost of the current hardware and software including the CRM Point-of-Sale (“CRM POS” system). The estimated cost includes us being paid \$250 per

month for High Level or other CRM we may decide to use in the future. We reserve the right to change hardware and software requirements.

5. This includes any other required expenses you will incur before operations begin and during the first three months of operations, such as payroll, additional inventory, rent, and other operating expenses in excess of income generated by the business. It does not include any salary or compensation for you. In formulating the amount required for additional funds, we relied on our experience in the development of Gradum Gswing facilities by our affiliates, and our general knowledge of the business.

6. This is the total estimated initial investment to open and commence operating your initial location for the first three months. We relied on our affiliate's experience opening and operating Gradum Gswing facilities to compile this estimate. We cannot guarantee that you will not have additional expenses starting your business. Your costs will depend on factors such as: the size of your territory, how much you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for the products and services; competition; and the sales level reached during the initial period. The estimate does not include the monthly cost of debt service. The estimate includes such items as initial payroll taxes, ongoing franchise fees, Brand Development Fund contributions, professional and accounting fees, additional advertising, insurance, health insurance and workers' compensation, rent, repairs and maintenance, bank charges (including interest), miscellaneous supplies and equipment, initial staff recruiting expenses, state tax, depreciation/amortization, deposits and prepaid expenses where applicable and other miscellaneous items. Additional operating expenses may be incurred in connection with the ongoing operation of your business and periodic reinvestment may be necessary following the initial start-up phase.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Generally

We have the right to require you to purchase or lease all goods, services, supplies, fixtures, equipment, inventory, computer hardware and software or comparable items related to establishing or operating your business (1) either from us or our designee, or from suppliers approved by us, or (2) according to our specifications.

Specific Obligations

The following are our current specific obligations for purchases and leases:

A. Real Estate. The location of your space is subject to our approval and must meet our specifications. You must use reasonable efforts to have your landlord sign our form of Rider to Lease Agreement which is attached to this disclosure document as Exhibit 5 to the Franchise Agreement.

B. Insurance. You must obtain insurance as described in the Franchise Agreement and in our Operations Manual, which includes (i) “Special” causes of loss coverage forms, including fire and extended coverage, crime, on all property of the training center , for full repair and replacement value (subject to a reasonable deductible); (ii) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an “occurrence” policy form in an amount of not less than \$1,000,000 single limit per occurrence and \$2,000,000 aggregate limit with extended coverage, child endangerment and molestation, from a company rated A+ or better by A.M. Best or equivalent, providing protection which is standard or greater in the hitting, baseball, fitness and health club industry, (iii) Umbrella liability insurance in excess of and not more restrictive than the underlying coverage listed above, with limits of not less than \$1,000,000 per occurrence/\$2,000,000 aggregate; and (iv) Workers Compensation coverage as required by state law. Your policies (other than Workers Compensation) must list us and our affiliates as an additional insured, must include a waiver of subrogation in favor of us and our affiliates, must be primary and non-contributing with any insurance carried by us or our affiliates, and must stipulate that we receive 30 days’ prior written notice of cancellation.

C. Point-of-sale software and hardware, and related software and hardware. You must purchase or lease the point-of-sale software and hardware, and related software and hardware, that we specify. See Item 11 for more details. We may periodically change any software requirements to adapt to changing capabilities by written notice to you or by updating our Manual.

D. Equipment, inventory and supplies. You must purchase equipment, inventory and supplies from our affiliate or our Approved Vendors, including purchasing from our affiliate certain merchandise and supplies.

E. Branded merchandise, Gswing training digital course and training tools. You may be required to purchase from us or our affiliate Gradum Sports, LLC certain branded merchandise, the Gswing training digital course and training tools. We may periodically add and remove items that you must purchase from us or our affiliate.

Us or our Affiliates as Supplier

As of the date of this Disclosure Document, our affiliate may be a supplier of some items that you must purchase. Our officers own an interest in the branded merchandise supplier in Item 8E. None of our officers own an interest in any other supplier.

Alternative Suppliers

If you want to use a supplier that is not on our list of approved suppliers, you must request our approval in writing. We will grant or revoke approvals of suppliers based on criteria appropriate to the situation, which may include evaluations of the supplier’s capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Our criteria for approving suppliers are not available to you. We permit you to contract with alternative suppliers who meet our criteria only if you request our approval in writing, and we grant approval. There is no fee for us to review or approve an alternate supplier. We will provide you with written notification of the approval or disapproval of any supplier you propose

within 30 days after receipt of your request. We may grant approvals of new suppliers or revoke past approvals of suppliers on written notice to you, or by updating our Manual.

Issuing Specifications and Standards

We issue specifications and standards to you for applicable aspects of the franchise in our Manual and/or in written directives. We may issue new specifications and standards for any aspect of our brand system, or modify existing specifications and standards, at any time by revising our Manual and/or issuing new written directives (which may be communicated to you by any method we choose). We will generally (but are not obligated to) issue new or revised specifications only after thorough testing in our headquarters, in company-owned outlets, and/or a limited market test in multiple units.

No purchasing or distribution cooperative currently exists. We may negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees. However, we are not required to and may choose to continue or discontinue such arrangements in the future. We do not provide any material benefit to you based on your purchase of particular goods or services, or your use of particular suppliers.

We estimate that items purchased or leased from us, our affiliates or our other designated or approved suppliers, or in accordance with our specifications will represent approximately 50% to 80% of total purchases you will make to begin operations of your training center, and approximately 50% to 80% of the ongoing costs to operate your training center.

All items that you purchase from approved suppliers must meet our specifications. This includes advertising and marketing materials, forms, and promotional items. In addition, you must purchase the signs used to identify the facility from a vendor we approve utilizing designs we approve. None of our officers own an interest in any supplier.

We publish a list of approved vendors and order procedures in the Manual. We may approve other vendors if you request it in writing or if a vendor requests it and if the vendor demonstrates to our satisfaction that it is financially stable and can provide product(s) or service(s) that meet our specifications and that are consistent with our image. We may charge our reasonable costs incurred in evaluating a proposed vendor. We will give you a good faith estimate of our cost of evaluating a proposed vendor within a reasonable time after you make the request, but before we begin the evaluation process. We will normally make our decision within thirty (30) days. We reserve the right to disapprove any previously approved vendor whose performance falls below our standards. We will provide any approvals of new vendors or revoke approval of vendors in writing and will incorporate our decision in the Operations Manual.

We and our affiliates reserve the right to receive fees, payments, rebates, or other consideration from third party manufacturers, suppliers, and/or distributors on their sales of products, services, equipment, goods and supplies to our affiliate and our franchisees. Except as described below, we and our affiliates will retain and use any fees, payments, rebates, commissions or other consideration as we deem appropriate or as required by a particular manufacturer, supplier

or distributor. We may place fees, payments, rebates, commissions, allowances or other consideration we receive from some vendors with whom you do business in either the System-wide Brand Development Fund or a separate fund to cover the cost of franchisee conferences and conventions and franchisee incentive programs. We expect the amount and availability of such funds to vary from time to time based upon factors outside our control. We did not receive any revenue from franchisee purchases of goods, products and services from us or our affiliates in 2022.

Item 9 FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in agreement	Disclosure document item
a. Site selection and acquisition/lease	Franchise Agreement (FA): §§ 5.1, 6.1, 6.2 Multi-Territory Development Agreement (MTDA): Not Applicable	Item 11
b. Pre-opening purchase/leases	FA: §§ 6.2, 6.3 MTDA: Not Applicable	Items 5, 7, 8 and 11
c. Site development and other pre-opening requirements	FA: Article 5, 6 MTDA: §1(a), 3	Items 5, 7, 8 and 11
d. Initial and ongoing training	FA: §§ 5.4, 6.4, 7.6 MTDA: Not Applicable	Items 5, 6, 8 and 11
e. Opening	FA: §§ 6.5, 6.6 MTDA: §1(a)	Items 7, 8 and 11
f. Fees	FA: Article 4, §§ 5.5, 7.8, 10.5, 11.2, 11.3, 15.2, 16.1, 17.6 MTDA: §1(a)	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	FA: §§ 6.3, 7.1, 7.3, 7.5, 7.9–7.13, 7.15, 10.1, 10.4, 11.1 MTDA: Article 1	Items 8, 11 and 14

Obligation	Section in agreement	Disclosure document item
h. Trademarks and proprietary information	FA: Article 12, § 13.1 MTDA: Not Applicable	Items 13 and 14
i. Restrictions on products/services offered	FA: § 7.3 MTDA: Not Applicable	Items 8, 11 and 16
j. Warranty and customer service requirements	FA: §§ 7.3, 7.8, 7.9 MTDA: Not Applicable	Item 8
k. Territorial development and sales quotas	FA: Not applicable MTDA: §1(a), 4(ii)	Item 12
l. Ongoing product/service purchases	FA: Article 8 MTDA: Not Applicable	Items 6 and 8
m. Maintenance, appearance, and remodeling requirements	FA: §§ 7.12, 7.13 MTDA: Not Applicable	Items 6, 7 and 8
n. Insurance	FA: § 7.15 MTDA: Not Applicable	Items 6, 7 and 8
o. Advertising	FA: Article 9 MTDA: Not Applicable	Items 6, 7, 8 and 11
p. Indemnification	FA: Article 16 MTDA: Not Applicable	Items 6 and 8
q. Owner's participation/management/staffing	FA: § 2.4 MTDA: Not Applicable	Items 15
r. Records and reports	FA: Article 10 MTDA: Not Applicable	Item 11
s. Inspections and audits	FA: §§ 10.5, 11.2 MTDA: Not Applicable	Items 6 and 11
t. Transfer	FA: Article 15 MTDA: Article 7	Items 6 and 17
u. Renewal	FA: § 3.2 MTDA: Not Applicable	Item 17
v. Post-termination obligations	FA: Article 13, § 14.3 MTDA: Not Applicable	Item 17

Obligation	Section in agreement	Disclosure document item
w. Non-competition covenants	FA: § 13.2 MTDA: Not Applicable	Item 17
x. Dispute resolution	FA: Article 17 MTDA: Article 7	Items 6 and 17

Item 10 FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligations.

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

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

Our Pre-Opening Obligations

A. *Your site.* We will review and advise you regarding potential locations for a site that you submit to us. (Franchise Agreement - Sections 5.1 and Section 6). We will approve or disapprove your proposed site within 30 days after you submit all of our required documents and information. If you do not have a site when you sign the franchise agreement, then we will specify in your franchise agreement the area in which you must select a location (Franchise Agreement, Summary Page). If you sign a Multi-Territory Development Agreement, we will approve the location of future sites and territories for those sites, and our then-current standards for sites and territories will apply.

B. *Territory.* When a site is approved, we will designate your territory. (Franchise Agreement -Section 6.1)

C. *Plans.* We will provide you with specifications for the layout of your facility and build-out specifications. (Franchise Agreement - Section 5.1)

D. *Lease and Build Out.* We will select a site, work out and negotiate a lease for your site and build out the facility, including necessary furniture, signs, fixtures, equipment, computer system, vehicle and supplies. (Franchise Agreement - Section 5.1)

F. *Hiring and training initial employees.* We will provide you with our suggested staffing levels (Franchise Agreement - Section 5.1), operational instructions in the Manual which you can use as part of training new employees (Franchise Agreement - Section 5.1), and our initial training program described below. Our opening support (as described below) includes assisting

you in training employees. All hiring decisions and conditions of employment are your sole responsibility.

G. *Operations Manual.* We will give you access to our Operations Manual and any updates and revisions to the Manual (Franchise Agreement - Section 5.1).

H. *Initial Training Program.* We will conduct our initial training program. (Franchise Agreement - Section 5.1) The current initial training program is described below.

I. *Business plan review.* If you request, we will review your pre-opening business plan and financial projections. (Franchise Agreement - Section 5.1)

J. *Market introduction plan.* We will advise you regarding the planning and execution of your market introduction plan. (Franchise Agreement - Section 5.1)

K. *On-site opening support.* We will send at least one representative to your location for up to 2 weeks to provide support and additional training before you open. (Franchise Agreement - Section 5.1)

Length of Time to Open

The typical length of time between signing the franchise agreement and the opening of your training center is from three to six months depending on when you lease or otherwise acquire a location. Other factors besides acquiring a lease that may affect the time period include your ability to obtain financing, develop your location, obtain business permits and licenses, and hire employees.

Our Post-Opening Obligations

After you open your business:

A. *Developing products or services you will offer to your customers.* Although it is our intent and practice to refine and develop products or services that you will offer to your customers, the franchise agreement does not obligate us to do so.

B. *Resolving operating problems you encounter and additional training.* If you request, we will provide advice to you (by telephone or electronic communication) regarding improving and developing your business, and resolving operating problems you encounter, to the extent we deem reasonable. If we provide additional training in response to your request, we may charge our then-current additional training fee. As of the issue date of this Disclosure document, the fee is \$500 per diem plus any out-of-pocket expenses (such as travel, lodging, and meals for our employees providing onsite support). (Franchise Agreement - Section 5.2)

C. *Establishing and using administrative, bookkeeping, accounting, and inventory control procedures.* We will provide you with our recommended procedures for administration, bookkeeping, accounting, and inventory control (Franchise Agreement - Section 5.2). We may make any such procedures part of required (and not merely recommended) procedures for our system.

D. *Brand Development Fund.* We will administer the Brand Development Fund when it is formed (Franchise Agreement - Section 5.2). We will prepare an unaudited annual financial statement of the Brand Development Fund within 120 days of the close of our fiscal year and will provide the financial statement to you upon request. (Section 9.3)

E *Website.* We will maintain a website for the Gradum Gswing brand, which will include your business information and telephone number. (Franchise Agreement - Section 5.2)

Advertising

We recommend you spend not less than five percent (5%) of your gross sales per month on advertising and promotional activities during each calendar year, in such types as we approve or as described in the Operations Manual or otherwise in writing. We encourage you, however, to spend additional amounts on local advertising and promotional activities beyond the minimum amounts required under the Franchise Agreement. Your local advertising expenditures will include advertising, merchandising, sales promotion and other forms of advertising at the local level. Each month, you must provide us with an accounting of the monies that you spent and documentation of the local advertising and promotional activities you executed during the preceding calendar year. If you fail to spend the required minimum amount during any calendar year on approved local advertising and promotional activities, you must pay us the difference between what you should have spent on approved local advertising and promotional activities during that year, and what you actually spent on those items during that year.

You must obtain our approval (in writing) of all marketing, advertising and promotional materials before use, including any of your own materials, at least 10 days before the deadline for running or using the marketing, advertising or promotional materials. Any marketing, advertising or promotional materials not approved by us within 14 days will be deemed disapproved. At any time, we may require you to stop any marketing, advertising or promotion. You must use marketing, advertising and promotional materials that depict any of our trademarks only in connection with your sale of approved services and products in connection with your training center . Any marketing, advertising and promotional materials you use must be current, in good taste and in good condition and communicate the brand position and character that we have established for franchised operations. We may periodically make available for purchase, from us or our affiliates or designated or approved suppliers, certain advertising, marketing and promotion materials.

You may use only approved advertising and promotional materials for your local advertising. If you desire to use any unapproved advertising or promotional materials bearing the trademarks or other Marks proprietary to us, or any portion of those items, you must obtain our prior written approval before using those materials. Any advertising or promotional materials not approved by us within 10 days will be deemed to be disapproved. You must use your best efforts to promote and advertise your business and will participate in all advertising and promotional programs we establish in the manner we direct as described in the Operations Manual or otherwise in writing.

Market Introduction Advertising. We recommend you spend not less than \$1,500 on initial advertising and promotional materials and advertising, promotion, and events to promote

and execute the opening of your Gradum Gswing training facility, which must be coordinated with us and must occur not more than 60 days before or 30 days after the first day you open your training center . We must approve all Market introduction advertising and marketing. Your minimum expenditure on market introduction advertising is in addition to the local advertising requirements described above.

Brand Development Fund. You are required at this time to pay us a Brand Development Fee or contribute to an advertising fund that we administer. You will contribute each month to the Fund up to two per cent (2%) of your Gross Sales. All franchisees will contribute to the Fund at the same rate. Any locations in which we or our affiliates have an ownership interest may, but are not obligated to, contribute to the Fund.

The Fund is not a trust or escrow account, and we do not have any fiduciary obligations with respect to the or any advertising fees we receive. We have no obligation to make expenditures on your behalf that are equivalent or proportionate to your contributions to the Fund, to ensure that any particular franchisee benefits directly or pro rata from marketing or advertising we develop or place or to ensure that any advertising directly impacts your business or penetrates your territory.

We may use the Fund to defray expenses incurred in connection with the cost of creating, formulating, developing and implementing marketing, advertising and promotional programs, campaigns and materials, and any other activities we, in our sole judgment, believe are appropriate to enhance, promote and protect the brand. These items and activities may include (i) preparing marketing and advertising materials; (ii) preparing and maintaining World Wide web pages and sites, and other activities related to advertising and promotion via the Internet and/or other public computer networks; (iii) preparing and conducting television, radio, magazine, newspaper and World Wide web/Internet advertising campaigns and other public relations activities; (iv) employing public relations firms and advertising agencies to assist in the activities described above, including without limitation the placement of print, broadcast or World Wide web/Internet advertising; (v) conducting new product development and research; (vi) conducting market research, sponsorships, mystery shopper programs, and client surveys and interviews; (vii) collecting and accounting for the marketing and advertising payments from our franchisees; and (viii) preparing accountings for the Fund. We may use the Fund to defray administrative costs and overhead that we or our affiliates incur in activities reasonably related to the administration of the Fund, including without limitation the salaries and benefits paid to our and our affiliates employees engaged in advertising-related functions. We may use any media, create any programs, campaigns and materials, and allocate advertising and promotional expenditures locally, regionally or nationally and to any regions or localities that we consider appropriate. We may use in- house personnel and/or outside national, regional or local public relations firms and agencies to create and place marketing and advertising for the brands and otherwise perform the activities described above.

If requested by you in writing no sooner than 120 days after the end of our fiscal year, we will provide you with an annual unaudited statement of contributions and expenditures of the Brand Development Fund for our most recently completed fiscal year. We will not be required to audit the Fund. If we expend less than the total contributions available in the Fund during any fiscal year, we will retain the remaining amount in the Fund and expend the unused sum during

the following fiscal year. If we expend an amount greater than the amount available in the Fund in any fiscal year (in addition to any sum required to be expended because we did not expend all the sums in the Fund during the preceding year), we will be entitled to reimburse ourselves from the Fund during the next fiscal year for all excess expenditures made during the preceding fiscal year. Although the Fund would be intended to be of perpetual duration, we have the right to discontinue the Brand Development Fund. We decide whether to form and whether to terminate the Fund. If we terminate the Fund, we may require that you spend an equivalent amount on local advertising in addition to the amount you are required to spend on local advertising. We will not discontinue the Fund, however, until we have expended all money in the Fund for advertising and promotional purposes. We may or may not use the Fund part of the fund for advertising that is directed primarily at soliciting the sale of new franchisees.

Advertising Cooperatives. As of the issuance date of this disclosure document, there were no advertising cooperatives. We have the power, however, to form, approve the franchisee formation of, change, dissolve or merge local or regional advertising cooperatives, and to establish the rules under which these cooperatives will operate. You must participate in and contribute to any local or regional advertising cooperative we form or approve in the area where your training center is located. As of the issuance date of this disclosure document, there was no advertising council for the Gradum Gswing System. We have the power, however, to form, change, or dissolve any advertising council. Any advertising council we form will serve in only an advisory capacity.

System Website and Social Media

We may provide you with materials for use on social media sites such as a Facebook page. You may not use any electronic media, including the Internet, or any social media, for viewing by the public that contains or is associated with your Gradum Gswing business or our registered trademarks without our prior written approval. You may not establish a Facebook®, Myspace®, Snap Chat®, Twitter®, TikTok® or similar pages, post through Instagram® or on YouTube®, or utilize other, similar social media, without our prior written approval. You may not establish a Twitter® feed or other social media that are associated with or refer to your Gradum Gswing business without our prior, written approval. We retain the right to approve all social media content that displays or is associated with our trademarks or your business. We may require you to withdraw and/or discontinue the use of any social media posts, even if previously approved.

Point of Sale and Computer Systems

As part of Gradum in a Box, we will provide you with a computer system to help manage the business. Currently, we require you to use Mindbody, V1 Sports, and High Level as the CRM Point-of-Sale system (“CRM POS System”). The CRM POS System will provide scheduling and payment information and stores customer information, sales and provide financial reports. The current purchase price for the CRM POS System and other hardware and software is approximately \$1,000 to \$1,700 per month per location. The estimated annual cost of maintaining, upgrading, updating and support for the software is approximately \$1,000. We may change any required hardware and software requirements upon notice to you.

We are not obligated to provide any ongoing maintenance, repairs, upgrades, or updates. We do require you enter into a subscription contract for the POS System and any other applicable software/apps. You must upgrade or update any system when we determine. There is no contractual limit on the frequency or cost of this obligation.

You must give us independent access to the information that will be generated or stored in these systems. The information that we may access will include sales, customer data, and reports. There is no contractual limitation on our right to access the information.

Operations Manual

See Exhibit F for the table of contents of our Operations Manual as of the date this disclosure document, with the number of pages devoted to each subject. The Manual has approximately 155 pages.

Training Program

Our training program consists of the following:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Demand Generation	4	4	Port St. Lucie, Florida
Lead Nurture	4	4	Port St. Lucie, Florida
Sales	8	16	Port St. Lucie, Florida
Gswing Fulfillment	16	128	Port St. Lucie, Florida
Business Operations/Software	8		Port St. Lucie, Florida
TOTALS:	40	152	

Training classes will be scheduled in accordance with the needs of new franchisees or at your request. The principal franchise owner and operator of the training center location must attend training. Training classes will be generally held at our headquarters in Stuart, Florida or at one of the training sites operated by our affiliate in Florida. Training will also be conducted at your location before you are ready to open. We may choose alternate locations or provide portions of the training virtually. The instruction materials consist of our Operations Manual, the Digital Gswing Course and other materials along with lectures, discussions, and on-the-job demonstration and practice. Gradum Gswing training staff will conduct training, where all training staff members are Gswing certified trainers. Their experience is described in Item 2 of this Disclosure Document. We anticipate initial training will take approximately from Monday through Saturday for 4 weeks for a total of 24 8-hour days. Up to 3 people may attend without a training fee, but you must pay the travel and living expenses for you and your employees and managers to attend training, or you may elect to have you and your employees stay at the Gradum House located in Port St. Lucie, Florida near the training facility. As of the date of this Disclosure Document, the fee for additional persons beyond 3 people to attend initial training is \$3,000 per additional person.

You must complete training to our satisfaction at least two weeks before opening your facility. Should you fail to pass the test or complete the initial training, we have the right to terminate the franchise agreement without refunding the initial franchise fee.

We will send at least one representative to your location for up to two weeks to assist you around the time you open. You must pay the meal, travel and lodging expenses of our representative to come to your location.

Your facility must at all times be under your on-site supervision or under the on-site supervision of someone who has completed our training program. At this time, we do not currently require additional training programs or refresher courses, but we have the right to do so in the future.

Item 12 TERRITORY

Your Location

We must approve the location for your business. To obtain our approval, you must provide all information and documents about the site that we require. If you do not have a location when you sign the franchise agreement, we will specify in your franchise agreement the area in which you must select a location. The factors we consider in approving sites are general location and neighborhood, competition, trade area demographics, traffic patterns, parking, size, physical characteristics of existing buildings, and lease terms. We generally do not own your premises.

We will approve or disapprove your proposed site within 30 days after you submit all of our required documents and information. If we and you cannot agree on a site, you will be unable to comply with your obligation to develop and open the franchise by the deadline stated in the franchise agreement. Unless we agree to extend the deadline, you will be in default, and we may terminate your franchise agreement. We are not obligated to assist you in conforming the premises

of your site to local ordinances and building codes and obtaining any required permits. This will be your responsibility.

Grant of Territory

Your franchise agreement will specify a territory, which will be determined by us. Your territory will generally have a territory comprised of a population of approximately more or less than 250,000 people or a five-mile radius around your location depending on several factors including the demographics of the area. Your territory will be delineated by a radius around your location or by geographical boundaries, zip codes, political boundaries, streets, geographical features or trade area, depending on the density and demographics of the population of the area around your location.

Relocation; Establishment of Additional Outlets

You do not have the right to relocate your training center , and we have no obligation to approve any request for relocation. Our policy is to approve relocation of a franchisee's training center on a case-by-case basis, considering factors such as changes in demographics, profitability of your current business, or a loss of your premises due to circumstances beyond your control.

You do not have the right to establish additional franchised outlets unless you sign a Multi-Territory Development Agreement ("MTDA") in the form attached as Exhibit C to this disclosure document. If you and we sign a MTDA, then you will have the right to establish a mutually agreed number of additional outlets on a mutually agreed schedule. Under the MTDA, your right to develop additional outlets is subject to (1) you must comply with the mutually-agreed development schedule, (2) you must have sufficient financial and organizational capacity to develop, open, operate, and manage each additional Gradum Gswing training center, (3) you must be in compliance with all brand requirements at your training center, and (4) you must not be in default under any other agreement with us. We will approve the location of future sites and territories for those sites, and our then-current standards for sites and territories will apply. You are not obligated to develop additional territories under the MTDA, and you may terminate it any time without penalty. If you do not meet your development schedule in the MTDA, we have the right to terminate your right to develop additional outlets.

Options to Acquire Additional Franchises

You do not receive any options, rights of first refusal, or similar rights to acquire additional franchises.

Territory Protection

In your franchise agreement, we grant you an exclusive territory. In your territory, we will not establish either a company-owned or franchised outlet selling the same or similar goods or services under the same or similar trademarks or service marks as a Gradum Gswing facility. The continuation of your territorial protection depends on achieving at least \$375,000 in gross sales each year after your first year of operating the franchise. If you do not achieve this minimum gross sales requirement we may, at our option, reduce or eliminate your territory or terminate the franchise agreement.

If you sign an MTDA, you do not receive an exclusive territory as an area developer for the entire area. The protected territory is established for each site. Therefore, with respect to an MTDA, we make the following disclosure: 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.

Restrictions on Us from Soliciting or Accepting Orders in Your Territory

There are restrictions on us from soliciting or accepting orders from consumers inside your territory. We reserve the right to use other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing to advertise within your territory using our principal trademarks or using trademarks different from the ones you will use under your franchise agreement. We do not pay any compensation to you for soliciting orders from inside your territory. However, orders from clients inside your territory will be referred to you. We reserve the right to sell digital materials to persons located in your territory.

Soliciting by You Outside Your Territory

There are restrictions on you from soliciting or accepting orders from consumers outside of your territory. Orders from clients outside your territory must be referred to any franchisee who has a franchise agreement covering that particular territory.

Competition by Us Under Different Trademarks

Neither we nor any of our affiliates operates, franchises, or have plans to operate or franchise a business under a different trademark selling goods or services similar to those you will offer. However, the franchise agreement does not prohibit us from doing so.

Item 13 TRADEMARKS

Principal Trademark

The following are the principal trademarks that we license to you. These trademarks are owned by our affiliate, Gradum, LLC. Except where noted below, the trademarks are registered on the Principal Register of the United States Patent and Trademark Office:

Trademark	Registration Date	Registration Number
GRADUM®	August 20, 2019	5840027
GSWING®	January 5, 2021	6236192
GRADUM GSWING®	January 17, 2023	6954087
TEACH TRAIN TRANSFER®	October 24, 2023	7201265
	Application Date	Serial Number

Trademark	Registration Date	Registration Number
G GRADUM GSWING (LOGO)	July 5, 2023	<u>98071675</u>

The G GRADUM GSWING™ logo trademark application is pending. Because we do not yet have a federal registration for this trademark, this trademark does not yet have as many legal benefits and rights as a federally registered trademark. The other trademarks shown are registered and do have those benefits.

We intend to file when due all required affidavits or declarations. There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court. There are no pending infringement, opposition, or cancellation proceedings, or any pending material litigation involving the Marks that is relevant to your ability to use the Marks in connection with the business. There are no agreements that significantly limit our rights to use or license you to use the Marks in any manner material to the business.

Protection of Rights

We protect your right to use the principal trademarks listed in this Item, and we protect you against claims of infringement or unfair competition arising out of your use of the trademarks, to the extent described in this section.

The franchise agreement obligates you to notify us of the use of, or claims of rights to, a trademark identical to or confusingly similar to a trademark licensed to you. The franchise agreement does not require us to take affirmative action when notified of these uses or claims. We have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you.

If you use our trademarks in accordance with the franchise agreement, then (i) we will defend you (at our expense) against any legal action by a third-party alleging infringement by your use of the trademark, and (ii) we will indemnify you for expenses and damages if the legal action is resolved unfavorably to you.

Under the franchise agreement, we may require you to modify or discontinue using a trademark, at your expense.

Superior Prior Rights and Infringing Uses

We do not know of either superior prior rights or infringing uses that could materially affect your use of the principal trademarks.

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

We do not own rights in, or licenses to, patents that are material to the franchise. We do not have any pending patent applications.

Copyrights

All of our original works of authorship fixed in a tangible medium of expression are automatically protected under the U.S. Copyright Act, whether or not we have obtained registrations. This includes our Operations Manual as well as all other sales, training, management and other materials that we have created or will create. You may use these copyrighted materials during the term of the franchise, in a manner consistent with our ownership rights, solely for your franchised business.

We do not have any registered copyrights. There are no pending copyright applications for our copyrighted materials. There are no currently effective determinations of the U.S. Copyright Office (Library of Congress) or any court regarding any copyright.

There are no agreements currently in effect that limit our right to use or license the use of our copyrighted materials.

We have no obligation to protect any of our copyrights or to defend you against claims arising from your use of copyrighted items. The franchise agreement does not require us to take affirmative action when notified of copyright infringement. We control any copyright litigation. We are not required to participate in the defense of a franchisee or indemnify a franchisee for expenses or damages in a proceeding involving a copyright licensed to the franchisee. We may require you to modify or discontinue using the subject matter covered by any of our copyrights, at your expense.

We do not know of any copyright infringement that could materially affect you.

Proprietary Information

We have a proprietary, confidential Operations Manual and related materials that include guidelines, standards and policies for the development and operation of your training center . We also claim proprietary rights in other confidential information or trade secrets that include all methods for developing and operating the training center , and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how.

You (and your owners, if the franchise is owned by an entity) must protect the confidentiality of our Operations Manual and other proprietary information, and you must use our confidential information only for your franchised business. We may require your managers and key employees to sign confidentiality agreements.

Item 15
**OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE
FRANCHISE BUSINESS**

Your Participation

You are not required to participate personally in the direct operation of your business. However, we recommend that you participate.

You must designate one person as your “Principal Executive.” The Principal Executive is the executive primarily responsible for your business and has decision-making authority on behalf of the business. The Principal Executive must complete our initial training program. The Principal Executive must complete any post-opening training programs that we develop in the future. The Principal Executive must make reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls), including regional or national brand conferences, that we require. The Principal Executive cannot fail to attend more than three consecutive required meetings.

In addition to your Principal Executive, if you sign an MTDA, you will also be required to appoint a Regional Director, an Administrator, and an additional Instructor who will be on standby to fill any staffing gaps as needed.

If your business is owned by an entity, all owners of the business must sign our Guaranty and Non-Compete Agreement (see Attachment 3 to the Franchise Agreement).

“On-Premises” Supervision

You are not required to personally conduct “on-premises” supervision of your business. However, we strongly recommend on-premises supervision by you.

There is no limit on who you can hire as an on-premises supervisor. The general manager of your business (whether that is you or a hired person) must successfully complete our training program.

If the franchise business is owned by an entity, we do not require that the general manager own any equity in the entity.

Restrictions on Your Manager

If we request, you must have your general manager sign a confidentiality and non-compete agreement. We do not require you to place any other restrictions on your manager.

Item 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale only goods and services that we have approved and not offer any goods or services we have disapproved.

You must offer for sale all goods and services that we require. We have the right to change the types of authorized goods or services, and there are no limits on our right to make changes. We do not restrict your access to customers, except that all sales must be made at or from your training center .

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

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

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	Franchise Agreement (FA): § 3.1 Multi-Territory Development Agreement (MTDA): none	20 years from date of franchise agreement.
b. Renewal or extension of the term	FA: § 3.2 MTDA: none	You may obtain two successor franchise agreement renewals for 5-year terms each.
c. Requirements for franchisee to renew or extend	FA: § 3.2 MTDA: none	For our franchise system, “renewal” means that at the end of your term, you sign our successor franchise agreement for an additional 5-year term. You may be asked to sign a contract with materially different terms and conditions than your original contract. To renew, you must give advance notice to us; be in compliance with all contractual obligations to us and third parties; renovate to our then-current standards; sign then-current form of franchise agreement and related documents (including personal guaranty); sign general release (unless prohibited by applicable law). If you continue operating your franchise after the expiration of the term without a renewal agreement, then

Provision	Section in franchise or other agreement	Summary
		we may either terminate your operation at any time or deem you to have renewed your agreement for a 5-year term.
d. Termination by franchisee	FA: § 14.1 MTDA: § 4	If we violate a material provision of the franchise agreement and fail to cure or to make substantial progress toward curing the violation within 30 days after notice from you. If you sign a MTDA, you may terminate it at any time.
e. Termination by franchisor without cause	Not Applicable	
f. Termination by franchisor with cause	FA: § 14.2 MTDA: § 4	We may terminate your agreement for cause, subject to any applicable notice and cure opportunity. If you sign a Multi-Territory Development Agreement, termination of your MTDA does not give us the right to terminate your franchise agreement. However, if your franchise agreement is terminated, we have the right to terminate your MTDA.
g. “Cause” defined--curable defaults	FA: § 14.2 MTDA: none	Non-payment by you (10 days to cure); violate franchise agreement other than non-curable default (30 days to cure).
h. “Cause” defined--non-curable defaults	FA: § 14.2 MTDA: § 4	FA: Misrepresentation when applying to be a franchisee; knowingly submitting false information; bankruptcy; lose possession of your location; violation of law; violation of confidentiality; violation of non-compete; violation of transfer restrictions; slander or libel of us; refusal to cooperate with our training center inspection; cease operations for more than 5 consecutive days; three defaults in 12 months; cross-termination; charge or conviction of, or plea to a felony, or commission or accusation of an act that is reasonably

Provision	Section in franchise or other agreement	Summary
		likely to materially and unfavorably affect our brand; any other breach of franchise agreement which by its nature cannot be cured. MTDA: failure to meet development schedule; violation of franchise agreement or other agreement which gives us the right to terminate it.
i. Franchisee's obligations on termination/non-renewal	FA: §§ 14.3 – 14.6 MTDA: none	Pay all amounts due; return Manual and proprietary items; notify phone, internet, and other providers and transfer service; cease doing business; remove identification; purchase option by us.
j. Assignment of agreement by franchisor	FA: § 15.1 MTDA: § 7	Unlimited
k. "Transfer" by franchisee - defined	FA: Article 1 MTDA: Background Statement	For you (or any owner of your business) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the business, (ii) the franchise agreement, (iii) any direct or indirect ownership interest in the business, or (iv) control of the business.
l. Franchisor's approval of transfer by franchisee	FA: § 15.2 MTDA: § 7	No transfers without our approval.
m. Conditions for franchisor's approval of transfer	FA: § 15.2 MTDA: none	Pay transfer fee; buyer meets our standards; buyer is not a competitor of ours; buyer and its owners sign our then-current franchise agreement and related documents (including personal guaranty); you've made all payments to us and are in compliance with all contractual requirements; pay transfer fee, buyer completes training program; you sign a general release; training center complies with then-current system specifications (including remodel, if applicable).

Provision	Section in franchise or other agreement	Summary
n. Franchisor's right of first refusal to acquire franchisee's business	FA: § 15.5 MTDA: none	If you want to transfer your business (other than to your co-owner or your spouse, sibling, or child), we have a right of first refusal.
o. Franchisor's option to purchase franchisee's business	Not Applicable	
p. Death or disability of franchisee	FA: §§ 2.4, 15.4 MTDA: none	If you die or become incapacitated, a new principal executive acceptable to us must be designated to operate the business, and your executor must transfer the business to an approved new owner within nine months.
q. Non-competition covenants during the term of the franchise	FA: § 13.2 MTDA: none	Neither you, any owner of the business, or any spouse of an owner may have ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by, any competitor.
r. Non-competition covenants after the franchise is terminated or expires	FA: § 13.2 MTDA: none	For two years, neither you, any owner of the business, or any spouse of an owner may have ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by a competitor located within twenty-five miles of your former territory or the territory of any other GSwing training center operating on the date of termination.
s. Modification of the agreement	FA: § 18.4 MTDA: § 7	No modification or amendment of the agreement will be effective unless it is in writing and signed by both parties. This provision does not limit our right to modify the Manual or system specifications.
t. Integration/merger clause	FA: § 18.3 MTDA: § 7	Only the terms of the agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement (or MTDA) may not be enforceable. However, no claim made in any franchise agreement (or MTDA)

Provision	Section in franchise or other agreement	Summary
		is intended to disclaim the express representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	FA: § 17.1 MTDA: § 7	All disputes are resolved by arbitration (except for injunctive relief) (subject to applicable state law).
v. Choice of forum	FA: §§ 17.1; 17.5 MTDA: § 7	Arbitration in Miami Dade County, Florida (subject to applicable state law). Any legal proceedings not subject to arbitration will take place in the District Court of the United States, in the district where our headquarters is then located, or if this court lacks jurisdiction, the state courts of the state and county where our headquarters is then located (subject to applicable state law).
w. Choice of law	FA: § 18.8 MTDA: § 7	Florida (subject to applicable state law).

For additional disclosures required by certain states, refer to Exhibit H - State Addenda to Disclosure Document

Item 18 PUBLIC FIGURES

We reserve the right to decide to use Major League/Minor League and College Baseball players to promote our franchise, at which time compensation will be determined.

Item 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

2023 Financial Results

This financial performance representation is based upon the historical information from the one affiliate operated Gradum Gswing business that was (i) open and continuously operating for two years or more and (ii) reported sales and expenses the entire year from January 1, 2023 through December 31, 2023 (the “2023 Fully Operational Location”). The information presented in the Table for the 2023 Fully Operational Location was taken from sales as reported by our POS system.

“Fully operational” means that the business was offering the complete range of services according to the System and was open and operating throughout the relevant time period. This financial performance representation therefore does not include any locations that have not been open and continuously operating for less than two years.

The following chart contains the profit and loss statement information from January 1, 2023 to December 31, 2023 for a Gradum Gswing location owned by our affiliate that was open and operating at least two years. The estimated royalty fee and brand development fee have been included if this were a franchise location. Additionally, as there was a material change to our sales process in late 2023, early 2024, we have included interim profit and loss statement information from January 1, 2024 to September 2024.

Average Costs as a Percentage of Total Net Sales (2023) - Per Location				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Avg. Net Sales (Monthly)	\$ 14,833	\$ 21,420	\$ 20,985	\$ 20,457
Total Net Sales	\$ 44,497	\$ 64,260	\$ 62,955	\$ 61,370
Labor Costs (32%)	\$ 14,240	\$ 20,564	\$ 20,146	\$ 19,639
Other Operating Costs (34%)	\$ 19,812	\$ 19,812	\$ 19,812	\$ 19,812
EBITDA (before fees)	\$ 10,445	\$ 23,884	\$ 22,997	\$ 21,919
Royalty Fee (8%)	\$ 3,560	\$ 5,141	\$ 5,037	\$ 4,910
Brand Development Fee (2%)	\$ 890	\$ 1,286	\$ 1,260	\$ 1,228
EBITDA (after fees)	\$ 5,995	\$ 17,457	\$ 16,700	\$ 15,781
EBITDA (% of Net Sales)	13%	27%	27%	26%
Median and Range of Net Sales (2023)				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Median Net Sales	\$ 15,394	\$ 21,274	\$ 21,347	\$ 20,453
Range of Net Sales (low to high)	\$13,380 - \$15,393	\$20,700 - \$22,287	\$15,363 - \$26,245	\$20,245 - \$20,672
Average Costs as a Percentage of Total Net Sales (2024) - Per Location				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Avg. Net Sales (Monthly)	\$ 34,053	\$ 44,146	\$ 41,465	-
Total Net Sales	\$ 102,159	\$ 132,438	\$ 124,394	-
Labor Costs (30%)	\$ 30,648	\$ 39,732	\$ 37,319	-
Other Operating Costs (32%)	\$ 38,292	\$ 38,292	\$ 38,292	-
EBITDA (before fees)	\$ 33,219	\$ 54,414	\$ 48,783	-
Royalty Fee (8%)	\$ 8,173	\$ 10,596	\$ 9,952	-
Brand Development Fee (2%)	\$ 2,044	\$ 2,649	\$ 2,488	-
EBITDA (after fees)	\$ 23,002	\$ 41,169	\$ 36,343	-
EBITDA (% of Net Sales)	23%	31%	29%	-
Median and Range of Net Sales (2024)				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Median Net Sales	\$ 39,115	\$ 41,247	\$ 41,015	-
Range of Net Sales (low to high)	\$22,415 - \$40,629	\$37,681 - \$53,510	\$36,625 - \$46,754	-

Notes:

1. The foregoing information shows historical financial performance and is not a projection of future performance.

2. The results are not audited.

Some outlets have sold these amounts. Your individual results may differ. There is no assurance that you'll sell as much.

Written substantiation of the information contained in this Item 19 will be made available to prospective franchisees upon reasonable request.

Other than what is included in this Item 19, 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 Priscilla Garmendia, Esq., the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Outlet Summary
For Years 2020 to 2023

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
	2023	0	5	+5
Company-Owned	2020	3	3	0
	2021	3	4	+1
	2022	4	6	+2
	2023	6	8	+2

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Total Outlets	2020	3	3	0
	2021	3	4	+1
	2022	4	6	+2
	2023	6	13	+7

Table 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2020 to 2023

Column 1 State	Column 2 Year	Column 3 Number of Transfers
N/A	2020	0
	2021	0
	2022	0
	2023	0
Total	2020	0
	2021	0
	2022	0
	2023	0

Table 3
Status of Franchised Outlets
For Years 2020 to 2023

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi- Nations	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
Ohio	2020	0	0	0	0	0	0	0

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi- Nations	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
Florida	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	4	0	0	2	0	2
Texas	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Totals	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	7	0	0	2	0	5

Table 4
Status of Company-Owned Outlets
For Years 2020 to 2023

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
Florida	2020	3	0	0	0	0	3
	2021	3	1	0	0	0	4
	2022	4	0	0	0	0	4

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
North Carolina	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1
Texas	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1
Totals	2020	3	0	0	0	0	3
	2021	3	1	0	0	0	4
	2022	4	2	0	0	0	6

Table 5
Projected Openings As Of December 31, 2024

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
Florida	0	0	3
North Carolina	0	0	1
Ohio	0	0	0
Texas	0	0	1
South Carolina	0	0	1
Colorado	4	1	0

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
Massachusetts	1	1	0
New Hampshire	1	0	0
Alabama	5	1	0
Tennessee	5	0	0
Kansas	3	0	0
Nebraska	3	0	0
Totals	22	3	6

Current Franchisees

Exhibit G contains the names of all current franchisees (as of the end of our last fiscal year) and the address and telephone number of each of their outlets.

Former Franchisees

Exhibit G contains the name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the disclosure document issuance date.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Confidentiality Clauses

In the last three fiscal years, no franchisees have signed any contract, order, or settlement provision that directly or indirectly restricts a current or former franchisee from discussing his or her personal experience as a franchisee in our system with any prospective franchisee.

Franchisee Organizations

There are no trademark-specific franchisee organizations associated with our franchise system.

Item 21
FINANCIAL STATEMENTS

We have not been franchising for three years or more, and therefore cannot include all financial statements required by the Franchise Rule of the Federal Trade Commission. Exhibit E contains our unaudited opening balance sheet dated as of November 15, 2024. Our fiscal year end is December 31.

Item 22
CONTRACTS

Copies of all proposed agreements regarding this franchise offering are attached as the following Exhibits:

- B. Franchise Agreement (with Exhibits)
- C. Multi-Territory Development Agreement
- D. Form of General Release
- I. State Addenda to Agreements

Item 23
RECEIPTS

Detachable documents acknowledging your receipt of this disclosure document are attached as the last two pages of this disclosure document.

EXHIBIT A

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

We may register this Disclosure Document in some or all of the following states in accordance with the applicable state law. If and when we pursue franchise registration, or otherwise comply with the franchise investment laws, in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in each state and the state offices or officials that we will designate as our agents for service of process in those states:

State	State Administrator	Agent for Service of Process (if different from State Administrator)
California	Commissioner of Business Oversight Department of Business Oversight 1515 K Street Suite 200 Sacramento, CA 95814-4052 866-275-2677	
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P.O. Box 40 Honolulu, HI 96810 (808) 586-2722	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	
Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, IN 46204 (317) 232-6681	
Maryland	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Commissioner of Securities 200 St. Paul Place Baltimore, MD 21202-2020

State	State Administrator	Agent for Service of Process (if different from State Administrator)
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 1st Floor Lansing, MI 48933 (517) 373-7117	
Minnesota	Minnesota Department of Commerce Securities-Franchise Registration 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Commissioner of Commerce Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500
New York	New York State Department of Law Investor Protection Bureau 28 Liberty St. 21st Floor New York, NY 10005 212-416-8236	Secretary of State 99 Washington Avenue Albany, NY 12231
North Dakota	North Dakota Securities Department 600 East Boulevard Ave., State Capital Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	
Oregon	Department of Consumer & Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, Oregon 97310 (503) 378-4140	
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex-69-1 Cranston, RI 02920-4407 (401) 462-9527	
South Dakota	Division of Insurance Securities Regulation 124 South Euclid Suite 104 Pierre, SD 57501-3185 (605) 773-3563	

State	State Administrator	Agent for Service of Process (if different from State Administrator)
Virginia	State Corporation Commission 1300 East Main Street 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507 (360) 902-8760	Department of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, WA 98501 (360) 902-8760
Wisconsin	Division of Securities Department of Financial Institutions Post Office Box 1768 Madison, WI 53701 (608) 266-2801	Securities and Franchise Registration Wisconsin Securities Commission 201 West Washington Avenue, Suite 300 Madison, WI 53703

EXHIBIT B TO DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

SUMMARY PAGE	
1. Franchisee	_____
2. Initial Franchise Fee	_____
3. Development Area	_____
4. Training Facility Location	_____
5. Territory	_____
6. Opening Deadline	_____
7. Principal Executive	_____
8. Franchisee's Address	_____

FRANCHISE AGREEMENT

This Agreement is made between GradumGswing Franchising, LLC, a Florida Limited Liability Company (“Franchisor”), and Franchisee effective as of the _____ day _____, 20____ (the “Effective Date”).

Background Statement:

A. Franchisor has created and owns a system (the “System”) for developing and operating a Gradum Gswing .

B. The System includes (1) methods, procedures, and standards for developing and operating Gradum Gswing business, (2) plans, specifications, equipment, signage and trade dress for Gradum Gswing businesses, (3) particular products and services, (4) the Marks, (5) training programs, (6) business knowledge, (7) marketing plans and concepts, and (8) other mandatory and recommended methods of operation as determined by Franchisor from time to time.

C. The parties desire that Franchisor license the Marks and the System to Franchisee for Franchisee to develop and operate one Gradum Gswing Training Facility on the terms and conditions of this Agreement.

DEFINITIONS

“**Action**” means any action, suit, proceeding, claim, demand, governmental investigation, governmental inquiry, judgment or appeal thereof, whether formal or informal.

“**Approved Vendor**” means a supplier, vendor, or distributor of goods or services which has been approved by Franchisor.

“**Business**” means the business owned by Franchisee and operated under this Agreement, including without limitation the Training Facility .

“**Competitor**” means any business which engages in, owns, is affiliated with or operates a business featuring private baseball/softball hitting/swing instruction.

“**Confidential Information**” means all non-public information of or about the System and any Gradum Gswing business, including all methods for developing and operating the business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how.

“**Gross Sales**” means the total dollar amount of all sales generated through the Training Facility for a given period, including, but not limited to, payment for any services or products sold by Franchisee, whether for cash or credit. Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected by Franchisee, (iii) sales of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in Gross Sales).

“Location” means the location stated on the Summary Page. If no location is stated on the Summary Page, then the Location will be determined in accordance with Section 6.1 of this Agreement.

“Losses” includes (but is not limited to) all losses; damages; fines; charges; expenses; lost profits; reasonable attorneys’ fees; travel expenses, expert witness fees; court costs; settlement amounts; judgments; loss of Franchisor’s reputation and goodwill; costs of or resulting from delays; financing; costs of advertising material and media time/space and the costs of changing, substituting or replacing the same; and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

“Manual” means Franchisor’s confidential Brand Standards Manual(s), including any supplements, additions, or revisions from time to time, which may be in any form or media.

“ Brand Development Fund” means the fund established (or which may be established) by Franchisor into which Brand Development Fund Contributions are deposited.

“Marks” means the trade name and logo contained on the Summary Page, and all other trade names, trademarks, service marks and logos specified by Franchisor from time to time for use to identify or in connection with Franchisor’s business or associated with Franchisor or its affiliates.

“Owner” means each person or entity which directly or indirectly owns or controls any equity of Franchisee. If Franchisee is an individual person, then “Owner” means Franchisee.

“Remodel” means a refurbishment, renovation, and remodeling of the Location to conform to the building design, exterior facade, trade dress, signage, fixtures, furnishings, equipment, decor, color schemes, presentation of the Marks, and other System Standards in a manner consistent with the image then in effect for a new Gradum Gswing Training Facility .

“Required Vendor” means a supplier, vendor, or distributor of products or services which Franchisor requires franchisees to use.

“System Standards” means, as of any given time, the then-current mandatory procedures, requirements, and/or standards of the System as determined by, which may include without limitation, any procedures, requirements and/or standards for appearance, business metrics, cleanliness, customer service, design (such as construction, decoration, layout, furniture, fixtures and signs), equipment, inventory, marketing and public relations, operating days, operating hours, presentation of Marks, product and service offerings, quality of products and services (including any guaranty and warranty programs), reporting, safety, technology (such as computers, computer peripheral equipment, smartphones, point-of-sale systems, back-office systems, information management systems, security systems, video monitors, other software, backup and archiving systems, communications systems (including email, audio, and video systems), payment acceptance systems, and internet access, as well as upgrades, supplements, and modifications thereto), uniforms, and vehicles.

“Territory” means the territory stated on the Summary Page. If no territory is stated on the Summary Page, then the Territory is determined in accordance with Section 6.1 of this Agreement.

“Training Facility ” means the training facility operated under this Agreement at the Location approved by Franchisor.

“Transfer” means for Franchisee (or any Owner) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the Business, (ii) this Agreement, (iii) any direct or indirect ownership interest in the Business, or (iv) control of the Business.

GRANT OF LICENSE

2.1 Grant. Franchisor grants to Franchisee the right to operate one Gradum Gswing only at the Location. If no Location is stated on the Summary Page when this Agreement is signed, then the parties will determine the Location in accordance with Section 6.1 of this Agreement. Franchisee shall develop, open and operate a Gradum Gswing Training Facility at the Location for the entire term of this Agreement and any renewals thereof.

2.2 Protected Territory. During the term of this Agreement and any renewals thereof, Franchisor agrees not to itself establish, or license or franchise the establishment of, another training facility within the Territory selling the same or similar goods or services under the same trademarks or service marks as a Gradum Gswing training facility. Franchisor retains the right to:

- (i) establish and license others to establish and operate Gradum Gswing training facilities and businesses outside the Territory, notwithstanding their proximity to the Territory or their impact on the Training Facility;
- (ii) operate and license others to operate businesses anywhere that do not operate under Gradum Gswing Marks; and
- (iii) sell and license others to sell products and services in the Territory through channels of distribution (including the internet) other than Gradum Gswing training facilities.

Franchisee acknowledges that in order to maintain the protected exclusive territory, Franchisee must generate at least \$375,000 in gross sales each year after your first year of operating the franchise. If Franchisee fails to achieve that minimum sales requirement, Franchisor may, at our option, reduce or eliminate Franchisee’s territory or terminate the franchise agreement.

2.3 Franchisee Control. Franchisee represents that Exhibit 1 to this Agreement (i) identifies each owner, officer and director of Franchisee, and (ii) describes the nature and extent of each owner’s interest in Franchisee. If any information on Exhibit 1 changes that does not constitute a Transfer, Franchisee shall notify Franchisor within ten (10) days of such change.

2.4 Principal Executive. Franchisee agrees that the person designated as the “Principal Executive” on the Summary Page is the executive primarily responsible for the Business and has decision-making authority on behalf of Franchisee. The Principal Executive is not required to serve as a day-to-day general manager of the Business, but the Principal Executive must devote substantial time and attention to the Business. If the Principal Executive dies, becomes incapacitated, transfers his/her interest in Franchisee, or otherwise ceases to be the executive

primarily responsible for the Business, Franchisee shall promptly designate a new Principal Executive, subject to Franchisor's approval.

2.5 Guaranty. If Franchisee is an entity, then Franchisee shall have each Owner sign a personal guaranty of Franchisee's obligations to Franchisor, in the form of Exhibit 3 to this Agreement.

2.6 No Conflict. Franchisee represents to Franchisor that Franchisee and each of its Owners (i) are not violating any agreement (including any confidentiality or non-competition covenant) by entering into or performing under this Agreement, (ii) are not a direct or indirect owner of any Competitor, and (iii) are not listed or "blocked" in connection with, and are not in violation under, any anti-terrorism law, regulation, or executive order.

TERM

3.1 Term. This Agreement commences on the Effective Date and continues for twenty (20) years.

3.2 Successor Agreement. When the Initial Term of this Agreement expires, Franchisee may enter into two successor franchise agreements for additional periods of five (5) years each (the "Renewal Term"), subject to the following conditions prior to the expiration of the Initial Term and each Renewal Term:

- (i) Franchisee notifies Franchisor of the election to renew between ninety (90) and one hundred eighty (180) days prior to the end of the Initial Term and each Renewal Term;
- (ii) Franchisee (and its affiliates) are in compliance with this Agreement and all other agreements with Franchisor and any of its affiliates at the time of election and at the time of renewal;
- (iii) Within a period of time acceptable to Franchisor, Franchisee has made or makes renovations and changes to the Location as Franchisor requires, including without limitation a Remodel, to conform to Franchisor's then-current System Standards;
- (iv) Franchisee and its Owners execute Franchisor's then-current form of franchise agreement and related documents, which may be materially different than this Agreement including, without limitation, higher and different fees, provided however that Franchisee will not pay another initial franchise fee;
- (v) Franchisee and each Owner executes a general release of any and all claims against Franchisor, its affiliates, and their respective owners, officers, directors, agents and employees.

4.1 Initial Franchise Fee. Upon signing this Agreement, Franchisee shall pay an initial franchise fee in the amount stated on the Summary Page. This Initial Franchise Fee is not refundable.

4.3 Gradum in a Box (Build Out) Fee. Upon signing this agreement, Franchisee shall pay Gradum in a Box, LLC shall pay the Gradum in a Box (Build Out) Fee in the amount stated on the Summary Page. This Gradum in a Box (Build Out) Fee is not refundable.

4.4 Royalty Fee. Franchisee shall pay Franchisor each month a royalty fee (the “Royalty Fee”) equal to eight percent (8%) of Gross Sales. The Royalty Fee for any month shall be paid in the immediately following month by the day designated by Franchisor in the Manual or otherwise in writing.

4.5 Brand Development Fund Contributions.

(a) Brand Development Fund Contribution. Franchisee shall pay Franchisor a contribution to the Brand Development Fund (the “Brand Development Fund Contribution”) equal to two percent (2%) of Franchisee’s Gross Sales for any Brand Development Fund that is in effect at the same time as the Royalty Fee is paid.

(b) Market Cooperative Contribution. If the Business participates in a Market Cooperative, then Franchisee shall contribute to the Market Cooperative a percentage of Gross Sales as determined by majority vote of the Market Cooperative.

4.6 Replacement / Additional Training Fee. If Franchisee sends an employee to Franchisor’s training program after opening, Franchisor may charge its then-current training fee, if any. Franchisee shall be responsible for any of its travel, food and lodging expenses.

4.7 Non-Compliance Fee. Franchisor may charge Franchisee One Thousand Five Hundred Dollars (\$1,500) for any instance of non-compliance with the System Standards or this Agreement (other than Franchisee’s non-payment of a fee owed to Franchisor) which Franchisee fails to cure after thirty (30) days’ notice. Franchisor may also charge Franchisee for its costs incurred if in the exercise of its discretion it determines that travel to Franchisee’s location is appropriate. This fee is a reasonable estimate of Franchisor’s internal cost of personnel time attributable to addressing the non-compliance, and it is not a penalty or estimate of all damages arising from Franchisee’s breach. The non-compliance fee is in addition to all of Franchisor’s other rights and remedies (including default and termination under Section 14.2 of this Agreement).

4.8 Curing Non-Compliance. Franchisor may in its sole discretion cure any instance of non-compliance by Franchisee with a requirement of this Agreement and Franchisee shall pay Franchisor’s cost incurred in curing the non-compliance and an administrative fee of ten percent (10%) of such costs.

4.9 Special Inspection Fee. Franchisor may charge its reasonable out-of-pocket expenses incurred if Franchisor inspects the Location because of a government report, customer complaint or other customer feedback, or your default or non-compliance with any system specification.

4.10 Reimbursement. Franchisor may, but has no obligation to, pay on Franchisee’s behalf any amount that Franchisee owes to a supplier or other third party. If Franchisor does so or intends to do so, Franchisee shall pay the amount paid by Franchisor plus a ten percent (10%) administrative charge to Franchisor within fifteen (15) days after invoice by Franchisor accompanied by reasonable documentation.

4.11 Payment for Products , Supplies and other items supplied by Franchisor. Franchisee shall pay Franchisor or its affiliate for any products, supplies or other items supplied to Franchisee, according to the terms and conditions of the invoices for same.

4.12 Method of Payment and Reporting.

(a) Method of Payment. Franchisee shall pay the Royalty Fee, Brand Development Fund Contribution, and any other amounts owed to Franchisor by pre-authorized bank draft, wire or ACH or in such other manner as Franchisor may require. Franchisee shall comply with Franchisor's payment instructions. If Franchisor elects to have payments made by pre-authorized bank draft, Franchisee shall execute the authorization attached to this Agreement as Exhibit 4.

(b) Calculation of Fees. Each week, on a day designated by Franchisor, Franchisee shall report to Franchisor, its Gross Sales from the previous week. If Franchisee fails to report weekly Gross Sales, then Franchisor may withdraw estimated Royalty Fees and Brand Development Fund Contributions equal to One Hundred twenty-Five percent (125%) of the last Gross Sales reported to Franchisor. The parties will true-up the actual fees after Franchisee reports Gross Sales. Franchisee acknowledges that Franchisor has the right to remotely access Franchisee's point-of-sale system to calculate Gross Sales.

(c) Late Fees and Interest. If Franchisee does not make a payment by the due date, Franchisee shall pay a late fee of One Hundred Dollar (\$100) plus interest on the unpaid amount at a rate equal to eighteen percent (18%) per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law).

(d) Insufficient Funds. Franchisor may charge Thirty Dollars (\$30) for any payment returned for insufficient funds (or, if such amount exceeds the maximum allowed by law, then the fee allowed by law).

(e) Costs of Collection. Franchisee shall repay any costs incurred by Franchisor (including reasonable attorney fees) in attempting to collect payments owed by Franchisee.

(f) Application. Franchisor may apply any payment received from Franchisee to any obligation and in any order as Franchisor may reasonably determine, regardless of any designation by Franchisee.

(g) Obligations Independent; No Set-Off. The obligations of Franchisee to pay to Franchisor any fees or amounts described in this Agreement are independent covenants by Franchisee. Franchisee shall make all such payments without offset or deduction.

FRANCHISOR'S ASSISTANCE

5.1 Pre-Opening Assistance and Gradum in a Box (Build Out)

Franchisor, through its affiliate, Gradum In A Box, LLC, agrees to provide Gradum in a Box (Build Out) to Franchise before Franchise commences operation of the Business:

(a) Location. Franchisor shall provide Franchisee with its criteria for Gradum Gswing locations and review information provided by Franchisee regarding proposed location(s) for the Business and approve or disapprove the Location in accordance with Section 6.1 of this Agreement; provided however, that Franchisee acknowledges that Franchisor's approval of a location is not any way to be construed as guaranty of the performance of the Business at that location; Franchisor may provide site selection and lease negotiation assistance to Franchisee.

(b) Territory. Franchisor shall designate a Territory for the franchise in accordance with Section 6.1 of this Agreement.

(c) Gradum in a Box (Build Out). Franchisor shall provide Franchisee with a turnkey Gradum Gswing location. Gradum in a Box Build package includes: (i) Site Selection – Assistance in identifying and securing an ideal location for your business; (ii) Lease Negotiation – Expert support to negotiate favorable lease terms; (iii) Build-Out of the Location – Comprehensive build-out services (excluding HVAC/heater installations if required); (iv) Personnel Recruitment and Screening – Assistance in finding and vetting qualified staff; (v) Franchisee and Personnel Training – Comprehensive training for you and your team, conducted at the Gradum facility in Port St. Lucie; and (vi) Launch Team – A dedicated team to help with your grand opening, on-site for up to two (2) weeks.

(d) Certain Other Specifications. Make available to Franchisee, Franchisor's specifications and approved suppliers for signs, fixtures, equipment, inventory, computer system, and supplies;

(e) Employees. Provide Franchisee with suggested initial staffing and operational instructions in the Manual or otherwise in writing for training Franchisee's employees; provided however that Franchisee acknowledges that all hiring decisions, terms and conditions of employment and training of Franchisees employees, remain the sole responsibility of Franchisee.

(f) Manual. Provide Franchisee with access to, or a copy of, Franchisor's Manual;

(g) Training. Make available an initial training program for Franchisee's Principal Executive or owner at Franchisor's headquarters and/or at another location designated by Franchisor at no fee for this training; provided however, that Franchisee is responsible for its own travel, lodging, meal, and other out-of-pocket expenses.

(h) Business Plan. Upon Franchisee's reasonable request, review and provide advice regarding Franchisee's business plan and any financial projections; provided however, that franchisee acknowledges that Franchisor bears no responsibility for the performance of the Business and that the performance of the Franchisee will depend on many factors beyond Franchisor's control including without limitation Franchisee's business acumen;

(i) Market Introduction Plan. Advise Franchisee regarding the planning and execution of Franchisee's market introduction plan, including without limitation any grand opening of the Business;

(j) On-site Opening Assistance. Send at least one representative to Franchisee's location to assist with Franchisee's opening of the Business.

5.2 Post-Opening Assistance.

Franchisor agrees to provide the following assistance to Franchise after Franchise commences operation of the Business:

(a) Advice, Consulting, and Support. If Franchisee requests, Franchisor will provide advice to Franchisee regarding improving and developing Franchisee's business, and resolving operating problems Franchisee encounters, to the extent Franchisor deems reasonable. If Franchisor provides in-person support in response to Franchisee's request, Franchisor may charge its then-current fee for such support plus any out-of-pocket expenses such as travel, lodging, and meals for employees providing onsite support;

(b) Procedures. Franchisor will provide Franchisee with Franchisor's recommended administrative, bookkeeping, accounting, and inventory control procedures. Franchisor may make any such procedures part of required System Standards;

(c) Brand Development Fund. Franchisor shall manage the Brand Development Fund;

(d) Internet. Franchisor may maintain a website for the Gradum Gswing brand, which will include Franchisee's location or territory and telephone number.

LOCATION, DEVELOPMENT, AND OPENING

6.1 Determining Location and Territory. If the Location and Territory are not stated on the Summary Page:

(i) Franchisor shall find a potential Location within the Development Area described on the Summary Page. If Franchisee has a potential Location, Franchisee shall submit its proposed Location to Franchisor for acceptance, with all related information Franchisor may request. Franchisor shall assist Franchisee in site selection. If Franchisor does not accept the proposed Location in writing within thirty (30) days, then the site will be deemed rejected.

(ii) When Franchisor accepts the Location, it shall provide assistance to Franchisee with the terms and conditions of any lease. Upon completion of the process, Franchisor will issue a Location Acceptance Letter in the form of Exhibit 2 to this Agreement which will set forth the Location and Territory. Franchisor shall determine and assign Franchisee the Territory in its good faith discretion.

(iii) Franchisor's advice regarding a site or the acceptance of a site and assistance with the lease negotiation is not a representation or warranty that the Business will be successful, and Franchisor shall not be liable to Franchisee with respect to the location of the Training Facility .

6.2 Lease. For any lease between Franchisee and the landlord of the Location, Franchisee shall:

(i) upon Franchisor's request, submit the proposed lease to Franchisor for written approval,

(ii) have the term of the lease provide for a period of not less than the Initial Term of this Agreement or any Renewal Term, and,

(iii) use commercially reasonable efforts to obtain the landlord's signature to the conditional assignment of the lease substantially in the form required by Franchisor as shown on Exhibit 5 to this Agreement.

6.3 Development. Franchisor shall build out (or remodel) and finish the Location in conformity with Franchisor's System Standards. If required by Franchisor, Franchisee shall engage the services of an architect licensed in the jurisdiction of the Location. Franchisee shall not rely upon any information provided or opinions expressed by Franchisor or its representatives regarding any architectural, engineering, or legal matters (including without limitation the Americans With Disabilities Act) in the development and construction of the Training Facility and Franchisor shall not have any liability with respect thereto. Franchisor's inspection and/or approval to open the Training Facility is not a representation or a warranty that the Training Facility has been constructed in accordance with any architectural, engineering, or legal standards.

6.4 New Franchisee Training. Franchisee's Principal Executive must complete Franchisor's training program for new franchisees to Franchisor's satisfaction by the time designated by Franchisor before opening the Training Facility .

6.5 Conditions to Opening. Franchisee shall notify Franchisor at least twenty (20) days before Franchisee intends to open the Training Facility to the public. Before opening, Franchisee must satisfy all of the following conditions:

- (i) Franchisee is in compliance with this Agreement,
- (ii) Franchisee has obtained all applicable governmental permits and authorizations,
- (iii) the Business and Training Facility conform to all applicable System Standards,
- (iv) Franchisor has inspected and approved the Training Facility ,
- (v) Franchisee's officers and employees have completed all of Franchisor's required pre-opening training; and
- (vi) Franchisor has given its written approval to open, which approval will not be unreasonably withheld or delayed.

6.6 Opening Date. Franchisee shall open the Training Facility to the public on or before the date stated on the Summary Page.

OPERATIONS

7.1 Compliance with Manual and System Standards. Franchisee shall at all times and at its own expense comply with all mandatory obligations contained in the Manual and with all System Standards.

7.2 Compliance with Law. Franchisee and the Business shall comply with all laws and regulations. Franchisee and the Training Facility shall obtain and keep in force all governmental permits and licenses required for the Training Facility .

7.3 Products, Services, and Methods of Sale. Franchisee shall offer all products and services, and only those products and services, as from time to time prescribed by Franchisor in the Manual or otherwise in writing, including without limitation products supplied by Franchisor or its affiliate or designated supplier. Franchisee shall make sales only to retail customers, and only at the Location. Unless otherwise approved or required by Franchisor, Franchisee shall not, without Franchisor's written approval, make sales by any other means, including without limitation by wholesale, by delivery, by mail order or over the internet, or at temporary or satellite locations.

7.4 Prices. Franchisee shall generally determine its own prices; provided however, that, to the extent permitted by applicable law, Franchisee shall honor any customer loyalty programs and promotions implemented by Franchisor and any maximum prices and minimum discounts for any given product or service established by Franchisor.

7.5 Personnel.

(a) Management. Franchisee's Training Facility must at all times be under the on-site supervision of the Principal Executive or a general manager who has completed Franchisor's training program.

(b) Service. Franchisee shall cause its personnel to render competent and courteous service to all customers and members of the public.

(c) Appearance. Franchisee shall cause its personnel to comply with any dress attire, uniform, personal appearance and hygiene standards set forth in the Manual.

(d) Qualifications. Franchisor may set minimum qualifications for categories of employees employed by Franchisee.

(e) Sole Responsibility. Franchisee is solely responsible for the terms and conditions of employment of all of its personnel, including recruiting, hiring, training, scheduling, supervising, compensation, and termination. Franchisee is solely responsible for all actions of its personnel. Franchisee and Franchisor are not joint employers, and no employee of Franchisee will be deemed to be an agent or employee of Franchisor. Within seven days of Franchisor's request, Franchisee and each of its employees will sign an acknowledgment form stating that only Franchisee, and not Franchisor, is the employee's sole employer. Franchisee will use its legal name on all documents with its employees and independent contractors, including, but not limited to, employment applications, timecards, pay checks, and employment and independent contractor agreements, and Franchisee will not use the Marks on any of these documents.

7.6 Post-Opening Training. Franchisor may at any time require that the Principal Executive and/or any other employees to complete training programs, in any format and in any location determined by Franchisor. Franchisor may charge a reasonable fee for any training programs. Franchisor may require Franchisee to provide training programs to its employees. If a training

program is held at a location which requires travel by the Principal Executive or any other employee, then Franchisee shall pay all related travel, living and other expenses.

7.7 Software. Without limiting the generality of Section 7.1 or Section 8.1 of this Agreement, Franchisee shall acquire and use all software and related systems required by Franchisor. Franchisee shall enter into any subscription and support agreements that Franchisor may require. Franchisee shall upgrade, update, or replace any software from time to time as Franchisor may require. Franchisee shall protect the confidentiality and security of all software systems, and Franchisee shall abide by any System Standards related thereto. Franchisee shall give Franchisor unlimited access to Franchisee's point of sale system and other software systems used in the Business, by any means designated by Franchisor.

7.8 Customer Complaints. Franchisee shall use its best efforts to promptly resolve any customer complaints. Franchisor may take any action it deems appropriate to resolve a customer complaint regarding the Business, and Franchisor may require Franchisee to reimburse Franchisor for any expenses incurred thereby.

7.9 Evaluation and Compliance Programs. Franchisee shall participate at its own expense in programs required from time to time by Franchisor for obtaining customer evaluations, reviewing Franchisee's compliance with the System, and/or managing customer complaints, including without limitation a customer feedback system, customer survey programs, and mystery shopping. Franchisor shall share with Franchisee the results of these programs, as they pertain to the Business. Franchisee must meet or exceed any minimum score requirements set by Franchisor for such programs. Franchisor may set minimum scores that Franchisee must receive from the public on social media and internet review sites such as Yelp or Google.

7.10 Payment Systems. Franchisee shall accept payment from customers in any form or manner designated by Franchisor (which may include, for example, cash, specific credit and/or debit cards, gift cards, electronic fund transfer systems, and mobile payment systems). Franchisee shall purchase or lease all equipment and enter into all business relationships necessary to accept payments as required by Franchisor. Franchisee must at all times comply with payment card industry data security standards (PCI-DSS).

7.11 Gift Cards, Loyalty Programs, and Incentive Programs. At its own expense, Franchisee shall sell or otherwise issue gift cards, certificates, or other pre-paid systems, and participate in any customer loyalty programs, membership/subscription programs, or customer incentive programs, designated by Franchisor, in the manner specified by Franchisor in the Manual or otherwise in writing. Franchisee shall honor all valid gift cards and other pre-paid systems, regardless of whether issued by Franchisee or another Gradum Gswing business. Franchisee shall comply with all procedures and specifications of Franchisor related to gift cards, certificates, and other pre-paid systems, or related to customer loyalty, membership/subscription, or customer incentive programs.

7.12 Maintenance and Repair. Franchisee shall at all times keep the Training Facility in a neat and clean condition, perform all appropriate maintenance, and keep all physical property in good repair. In addition, Franchisee shall promptly perform all work on the physical property of the Training Facility as Franchisor may prescribe from time to time, including but not limited to

periodic interior and exterior painting; resurfacing of the parking lot; roof repairs; and replacement of obsolete or worn-out signage, floor coverings, furnishings, equipment and décor. Franchisee acknowledges that the System Standards may include requirements for cleaning, maintenance, and repair.

7.13 Remodeling. In addition to Franchisee's obligations to comply with all System Standards in effect from time to time, Franchisor may require Franchisee to undertake and complete a Remodel of the Location to Franchisor's satisfaction. Franchisee must complete the Remodel in the time frame specified by Franchisor. Franchisor may require the Franchisee to submit plans for Franchisor's reasonable approval prior to commencing a required Remodel. Franchisor's right to require a Remodel is limited as follows: (i) the Remodel will not be required in the first two or last two years of the term, except that a Remodel may be required as a condition to renewal of the term or a Transfer, and (ii) a Remodel will not be required more than once every five years from the date on which Franchisee was required to complete the prior Remodel.

7.14 Meetings. The Principal Executive shall use reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls) that Franchisor requires, including any national or regional brand conventions.

7.15 Insurance.

(a) Franchisee shall obtain and maintain insurance policies in the types and amounts as specified by Franchisor in the Manual. If not specified in the Manual, Franchisee shall maintain at least the following insurance coverage:

- (i) "Special" causes of loss coverage forms, including fire and extended coverage, crime, on all property of the Training Facility, for full repair and replacement value subject to a reasonable deductible;
- (ii) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an "occurrence" policy form in an amount of not less than \$1,000,000 single limit per occurrence and \$2,000,000 aggregate limit with extended coverage, child endangerment and molestation, from a company rated A+ or better by A.M. Best or equivalent, providing protection which is standard or greater in the hitting, baseball, fitness and health club industry;
- (iii) Umbrella liability insurance in excess of and not more restrictive than the underlying coverage listed above, with limits of not less than \$1,000,000 per occurrence/\$2,000,000 aggregate; and
- (iv) Workers Compensation coverage as required by the laws of the state where the Training Facility is located.

(b) Except for workers compensation insurance, Franchisee's policies shall (1) list Franchisor and its affiliates as an additional insured, (2) include a waiver of subrogation in favor of Franchisor and its affiliates, (3) be primary and non-contributing with any insurance carried by Franchisor or its affiliates, and (4) stipulate that Franchisor shall receive thirty (30) days' prior written notice of cancellation.

(c) Franchisee shall provide Certificates of Insurance evidencing the required coverage to Franchisor prior to opening and upon annual renewal of the insurance coverage, as well as at any time upon request of Franchisor.

7.16 Payments to Third Parties. Franchisee shall pay all vendors and suppliers in a timely manner. Franchisee shall pay all taxes when due. If Franchisee borrows money, it shall comply with the terms of its loan and make all loan payments when due. If Franchisee leases the Location, Franchisee shall comply with its lease for the Location and make all rent payments when due.

7.17 Public Relations. Without Franchisor's prior written approval, which will not be unreasonably withheld, Franchisee shall not make any public statements, including without limitation interviews or issuing press releases, regarding Franchisor, the Training Facility or Business, or any particular incident or occurrence related to the Training Facility or Business.

7.18 Association with Causes. Franchisee shall not in the name of the Business (i) donate money, products, or services to any charitable, political, religious, or other organization, or (ii) act in support of any such organization, without Franchisor's prior written approval, which will not be unreasonably withheld.

7.19 No Other Activity Associated with the Business. Franchisee shall not engage in any business or other activity at the Location other than operation of the Gradum Gswing Training Facility. Franchisee shall not use assets of the Training Facility for any purpose other than the Training Facility. If Franchisee is an entity, the entity shall not own or operate any other business except the Gradum Gswing businesses.

7.20 No Third-Party Management. Franchisee shall not engage a third-party management company to manage or operate the Training Facility without the prior written approval of Franchisor, which will not be unreasonably withheld.

7.21 Identification. Franchisee must identify itself as the independent owner of the Business in the manner prescribed by Franchisor. Franchisee must display at the Training Facility signage prescribed by Franchisor identifying the Location as an independently owned franchise.

7.22 Business Practices. Franchisee, in all interactions with customers, employees, vendors, governmental authorities, and other third parties, shall be honest and fair. Franchisee shall comply with any code of ethics or statement of values from Franchisor. Franchisee shall not take any action which may injure the goodwill associated with the Marks.

SUPPLIERS AND VENDORS

8.1 Generally. Franchisee shall acquire all products and services required by Franchisor from time to time in accordance with System Standards. Franchisor may require Franchisee to purchase or lease any products from Franchisor's designee, Required Vendors, Approved Vendors, and under Franchisor's specifications. Franchisor may periodically change any such requirement or change the status of any vendor. Any such requirement or change by Franchisor shall be made effective by insertion into the Manual, System Standards or otherwise by written notice to Franchisee.

8.2 Alternate Vendor Approval. If Franchisor requires Franchisee to purchase a particular product or service only from an Approved Vendor or Required Vendor, and Franchisee desires to purchase the product or service from a different vendor, then Franchisee shall submit a written request to Franchisor for approval and any information, specifications and/or samples requested by Franchisor. Franchisor may condition its approval on such criteria as Franchisor deems appropriate, which may include evaluations of the vendor's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Franchisor will provide Franchisee with written notice of the approval or disapproval of any proposed new vendor within thirty (30) days after receipt of Franchisee's request.

8.3 Alternate Product or service Approval. If Franchisor requires Franchisee to purchase a particular Product or service, and Franchisee desires to purchase an alternate Product or service, Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Franchisor. Franchisor will provide Franchisee with written notification of the approval or disapproval of any proposed alternate Product or service within thirty (30) days after receipt of Franchisee's request.

8.4 Purchasing. Franchisor may negotiate prices and terms with vendors on behalf of the System. Franchisor may receive rebates, payments or other consideration from vendors in connection with purchases by franchisees. Franchisor has the right, but not the obligation, to collect payments from Franchisee on behalf of a vendor and remit the payments to the vendor and impose a reasonable markup or charge for administering the payment. Franchisor may implement a centralized purchasing system. Franchisor may establish a purchasing cooperative and require Franchisee to join and participate in the purchasing cooperative on such terms and conditions as Franchisor may determine.

8.5 No Liability of Franchisor. Franchisor shall not be liable to Franchisee for any claim or loss related to any product provided or service performed by any Approved Vendor or Required Vendor, including without limitation defects, delays, or unavailability of products or services.

8.6 Product Recalls. If Franchisor or any vendor, supplier, or manufacturer of an item used or sold in Franchisee's Training Facility issues a recall of such item or otherwise notifies Franchisee that such item is defective or dangerous, Franchisee shall immediately cease using or selling such item, and Franchisee shall at its own expense comply with all instructions from Franchisor or the vendor, supplier, or manufacturer of such item with respect to such item, including without limitation the recall, repair, or replacement of such item.

MARKETING

9.1 Approval and Implementation. Franchisee shall not conduct any marketing, advertising, or public relations activities, including without limitation, marketing materials, websites, online advertising, social media marketing or presence, and sponsorships, which have not been approved by Franchisor. Franchisor may, but is not obligated to, operate all "social media" accounts on behalf of the System, or it may permit franchisees to operate one or more accounts. Franchisee must comply with any System Standards regarding marketing, advertising, and public relations, include any social media policy that Franchisor may prescribe. Franchisee shall implement any social media and marketing plans, or campaigns as determined by Franchisor. If Franchisor permits

Franchisee to operate its own social media accounts, Franchisee shall obtain Franchisor's prior approval for any and all social media postings or content relating or referring to the Training Facility or the Marks, or in any way associated with the Training Facility or the Marks.

9.2 Use by Franchisor. Franchisor may use any marketing materials or campaigns developed by or on behalf of Franchisee, and Franchisee hereby grants an unlimited, perpetual, royalty-free license to Franchisor for such purpose.

9.3 Brand Development Fund. Franchisor may establish a Brand Development Fund to promote the System on a local, regional, national, and/or international level. If Franchisor has established a Brand Development Fund, the following shall apply:

(a) Separate Account. Franchisor shall hold the Brand Development Fund Contributions from all franchisees in one or more bank accounts separate from Franchisor's other accounts.

(b) Use. Franchisor shall use the Brand Development Fund only for marketing, advertising, and public relations materials, programs and campaigns (including at local, regional, national, and/or international level), and related overhead. The foregoing includes such activities and expenses as Franchisor reasonably determines, and may include, without limitation: development and placement of advertising and promotions; sponsorships; contests and sweepstakes; development of décor, trade dress, Marks, and/or branding; development and maintenance of brand websites; social media; internet activities; e-commerce programs; search engine optimization; market research; public relations, media or agency costs; trade shows and other events; printing and mailing; and administrative and overhead expenses related to the Brand Development Fund (including the compensation of Franchisor's employees working on marketing and for accounting, bookkeeping, reporting, legal and other expenses related to the Brand Development Fund).

(c) Discretion. Franchisee agrees that expenditures from the Brand Development Fund need not be proportionate to contributions made by Franchisee or provide any direct or indirect benefit to Franchisee. The Brand Development Fund will be spent at Franchisor's sole discretion, and Franchisor is not a fiduciary with respect to the Fund.

(d) Contribution by Other Outlets. Franchisor is not obligated to (i) have all other Gradum Gswing training facilities (whether owned by other franchisees or by Franchisor or its affiliates) contribute to the Brand Development Fund, or (ii) have other Gradum Gswing training facilities contribute the same amount or at the same rate as Franchisee.

(e) Surplus or Deficit. Franchisor may accumulate funds in the Brand Development Fund and carry the balance over to subsequent years. If the Brand Development Fund operates at a deficit or requires additional funds at any time, Franchisor may loan such funds to the Fund on reasonable terms.

(f) Financial Statement. Franchisor will prepare an unaudited annual financial statement of the Brand Development Fund within 120 days of the close of Franchisor's fiscal year and will provide the financial statement to Franchisee upon request.

9.4 Market Cooperatives. Franchisor may establish market advertising and promotional cooperative funds (“Market Cooperative”) in any geographical areas. If a Market Cooperative for the geographic area encompassing the Location has been established at the time Franchisee commences operations hereunder, Franchisee shall immediately become a member of such Market Cooperative. If a Market Cooperative for the geographic area encompassing the Location is established during the term of this Agreement, Franchisee shall become a member of such Market Cooperative within thirty (30) days. Franchisor shall not require Franchisee to be a member of more than one Market Cooperative. If Franchisor establishes a Market Cooperative:

(a) Governance. Each Market Cooperative will be organized and governed in a form and manner and shall commence operations on a date determined by Franchisor. Franchisor may require the Market Cooperative to adopt bylaws or regulations prepared by Franchisor. Unless otherwise specified by Franchisor, the activities carried on by each Market Cooperative shall be decided by a majority vote of its members. Franchisor will be entitled to attend and participate in any meeting of a Market Cooperative. Any Franchisor business owned by Franchisor in the Market Cooperative shall have the same voting rights as those owned by its franchisees. Each Business owner will be entitled to cast one vote for each Training Facility owned, provided, however, that a franchisee shall not be entitled to vote if it is in default under its franchise agreement. If the members of a Market Cooperative are unable or fail to determine the manner in which Market Cooperative monies will be spent, Franchisor may assume this decision-making authority after 10 days’ notice to the members of the Market Cooperative.

(b) Purpose. Each Market Cooperative shall be devoted exclusively to administering regional advertising and marketing programs and developing standardized promotional materials for use by the members in local advertising and promotions, all of which are subject to Franchisor’s approval.

(c) Approval. No advertising or promotional plans or materials may be used by a Market Cooperative or furnished to its members without the prior approval of Franchisor pursuant to Section 9.1 of this Agreement. Franchisor may designate the national or regional advertising agencies used by the Market Cooperative.

(d) Funding. The majority vote of the Market Cooperative will determine the dues to be paid by members of the Market Cooperative, including Franchisee, but not less than 1% and provided Franchisor or its affiliates have a majority vote, not more than 3% of Gross Sales.

(e) Enforcement. Only Franchisor will have the right to enforce the obligations of franchisees who are members of a Market Cooperative to contribute to the Market Cooperative.

(f) Termination. Franchisor may terminate any Market Cooperative. Any funds left in a Market Cooperative upon termination will be transferred to the Brand Development Fund.

9.5 Local Advertising and Marketing. Franchisee shall spend five percent (5%) of Gross Sales each month on marketing the Training Facility. Upon request of Franchisor, Franchisee shall furnish proof of its compliance with this Section. Franchisor has the sole discretion to determine what activities constitute “marketing” under this Section. Franchisor may, in its discretion,

determine that if Franchisee contributes to a Market Cooperative, the amount of the contribution will be counted towards Franchisee's required spending under this Section 9.5.

9.6 Market Introduction Plan. Franchisee must develop a market introduction plan and obtain Franchisor's approval of the market introduction plan at least thirty (30) days before the projected opening date of the Training Facility .

RECORDS AND REPORTS

10.1 Systems. Franchisee shall use such customer data management, sales data management, administrative, bookkeeping, accounting, and inventory control procedures and systems as Franchisor may specify in the Manual or otherwise in writing.

10.2 Reports.

(a) Financial Reports. Franchisee shall provide such periodic financial reports as Franchisor may require in the Manual or otherwise in writing, including:

- (i) a monthly profit and loss statement and balance sheet for the Business within thirty (30) days after the end of each calendar month;
- (ii) an annual financial statement (including profit and loss statement, cash flow statement, and balance sheet) for the Business within ninety (90) days after the end of Franchisor's fiscal year; and
- (iii) any information Franchisor requests in order to prepare a financial performance representation for Franchisor's franchise disclosure document.

(b) Legal Actions and Investigations. Franchisee shall promptly notify Franchisor of any Action or threatened Action by any customer, governmental authority, or other third party against Franchisee or the Business, or otherwise involving the Franchisee or the Business. Franchisee shall provide such documents and information related to any such Action as Franchisor may request.

(c) Government Inspections. Franchisee shall give Franchisor copies of all inspection reports, warnings, certificates, and ratings issued by any governmental entity with respect to the Training Facility , within three days of Franchisee's receipt thereof.

(d) Other Information. Franchisee shall submit to Franchisor such other financial statements, budgets, forecasts, reports, records, copies of contracts, documents related to litigation, tax returns, copies of governmental permits, and other documents and information related to the Business as specified in the Manual or that Franchisor may reasonably request.

10.3 Initial Investment Report. Within one hundred twenty (120) days after opening for business, Franchisee shall submit to Franchisor a report detailing Franchisee's investment costs to develop and open the Training Facility , with costs allocated to the categories listed in Item 7 of Franchisor's Franchise Disclosure Document and with such other information as Franchisor may request.

10.4 Training Facility Records. Franchisee shall keep complete and accurate books and records reflecting all expenditures and receipts of the Training Facility, with supporting documents, including, but not limited to, payroll records, payroll tax returns, register receipts, production reports, sales invoices, bank statements, deposit receipts, cancelled checks and paid invoices, for at least three years. Franchisee shall keep such other business records as Franchisor may specify in the Manual or otherwise in writing.

10.5 Records Audit. Franchisor may examine and audit all books and records related to the Training Facility and supporting documentation, at any reasonable time. Franchisor may conduct the audit at the Location and/or require Franchisee to deliver copies of books, records and supporting documentation to a location designated by Franchisor. Franchisee shall reimburse Franchisor for all costs and expenses of the examination or audit if (i) Franchisor conducted the audit because Franchisee failed to submit required reports or was otherwise not in compliance with the System, or (ii) the audit reveals that Franchisee understated Gross Sales by three percent (3%) or more during any four-week period.

FRANCHISOR'S RIGHTS

11.1 Manual; Modification. The Manual, and any part of the Manual, may be in any form or media determined by Franchisor. Franchisor may supplement, revise, or modify the Manual, and Franchisor may change, add or delete System Standards at any time in its discretion. Franchisor may inform Franchisee thereof by any method that Franchisor deems appropriate. Such notice need not qualify as "notice" under Section 18.9 of this Agreement. In the event of any dispute as to the contents of the Manual, Franchisor's master copy will control.

11.2 Inspections. Franchisor may enter the premises of the Training Facility from time to time during normal business hours and conduct an inspection. Franchisee shall cooperate Franchisor's inspectors. The inspection may include, but is not limited to, observing operations, conducting a physical inventory, evaluating physical conditions, monitoring sales activity, speaking with employees and customers, and removing samples of products, supplies and materials. Franchisor may videotape and/or take photographs of the inspection and the Training Facility . Franchisor may set a minimum score requirement for inspections, and Franchisee's failure to meet or exceed the minimum score will be a default under this Agreement. Without limiting Franchisor's other rights under this Agreement, Franchisee will, as soon as reasonably practical, correct any deficiencies noted during an inspection. If Franchisor conducts an inspection because of a governmental report, customer complaint or other customer feedback, or a default or non-compliance with any System Standard by Franchisee, including following up a previous failed inspection, then Franchisor may charge all out-of-pocket expenses plus its then-current inspection fee to Franchisee.

11.3 Franchisor's Right to Cure. If Franchisee breaches or defaults under any provision of this Agreement, Franchisor may, but shall not be obligated to, take any action to cure the default on behalf of Franchisee, without any liability to Franchisee. Franchisee shall reimburse Franchisor for its costs and expenses. Including without limitation, the allocation of any internal costs, for such action, plus a ten percent (10%) administrative fee.

11.4 Right to Discontinue Supplies Upon Default. While Franchisee is in default or breach of this Agreement, Franchisor may (i) require that Franchisee pay cash on delivery for products or services supplied by Franchisor, (ii) stop selling or providing any products and services to Franchisee, and/or (iii) request any third-party vendors to not sell or provide products or services to Franchisee. No such action by Franchisor shall be a breach or constructive termination of this Agreement, change in competitive circumstances or similarly characterized, and Franchisee shall not be relieved of any obligations under this Agreement because of any such action. Such rights of Franchisor are in addition to any other right or remedy available to Franchisor.

11.5 Training Facility Data. All customer data and other non-public data generated by the Training Facility is Confidential Information and is exclusively owned by Franchisor. Franchisor hereby licenses such data back to Franchisee without charge solely for Franchisee's use in connection with the Training Facility for the term of this Agreement and any renewals thereof.

11.6 Innovations. Franchisee shall disclose to Franchisor all ideas, plans, improvements, concepts, methods and techniques relating to the Training Facility (collectively, "Innovations") conceived or developed by Franchisee, its employees, agents or contractors. Franchisor will automatically own all Innovations, and it will have the right to use and incorporate any Innovations into the System, without any compensation to Franchisee. Franchisee shall execute any documents reasonably requested by Franchisor to document Franchisor's ownership of Innovations.

11.7 Communication Systems. If Franchisor provides email accounts and/or other communication systems to Franchisee, then Franchisee acknowledges that it has no expectation of privacy in the assigned email accounts and other communications systems, and Franchisee authorizes Franchisor to access such communications.

11.8 Delegation. Franchisor may delegate any duty or obligation of Franchisor under this Agreement to an affiliate or to a third party.

11.9 System Variations. Franchisor may vary or waive any System Standard for any one or more of Franchisor franchises due to the peculiarities of the particular site or circumstances, density of population, business potential, population of trade area, existing business practices, applicable laws or regulations, or any other condition relevant to the performance of a franchise or group of franchises. Franchisee is not entitled to the same variation or waiver.

11.10 Temporary Public Safety Closure. If Franchisor discovers or becomes aware of any aspect of the Training Facility which, in Franchisor's opinion, constitutes an imminent danger to the health or safety of any person, then immediately upon notice from Franchisor, Franchisee must temporarily cease operations of the Training Facility and remedy the dangerous condition. Franchisor shall not be liable to Franchisee or any other person for action or failure to act with respect to a dangerous condition.

MARKS

12.1 Authorized Marks. Franchisee shall not use any trademarks, service marks or logos in connection with the Training Facility other than the Marks. Franchisee shall use all Marks specified by Franchisor only in the manner designated by Franchisor. Franchisee has no rights in the Marks other than the right to use them in the operation of the Training Facility in compliance

with this Agreement. All use of the Marks by Franchisee and any goodwill associated with the Marks, including any goodwill arising due to Franchisee's operation of the Training Facility and Business, shall inure to the exclusive benefit of Franchisor.

12.2 Change of Marks. Franchisor may add, modify, or discontinue any Marks to be used under the System. Within a reasonable time after Franchisor makes any such change, Franchisee must comply with the change at Franchisee's sole expense.

12.3 Infringement.

(a) Defense of Franchisee. If Franchisee has used the Marks in accordance with this Agreement, then (i) Franchisor shall defend Franchisee (at Franchisor's expense) against any Action by a third-party alleging infringement by Franchisee's use of a Mark, and (ii) Franchisor will indemnify Franchisee for expenses and damages if the Action is resolved unfavorably to Franchisee.

(b) Infringement by Third Party. Franchisee shall promptly notify Franchisor if Franchisee becomes aware of any possible infringement of a Mark by a third party. Franchisor may, in its sole discretion, commence or join any claim against the infringing party.

(c) Control. Franchisor shall have the exclusive right to control any prosecution or defense of any Action related to possible infringement of or by the Marks.

COVENANTS

13.1 Confidential Information. With respect to all Confidential Information, Franchisee shall (a) adhere to all procedures prescribed by Franchisor for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Training Facility ; (c) not use any such information in any other business or in any manner not specifically authorized in writing by Franchisor, (d) exercise the highest degree of diligence and effort to maintain the confidentiality of all such information during and after the term of this Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Franchisee acknowledges that all Confidential Information is owned by Franchisor (except for Confidential Information which Franchisor licenses from another person or entity). This Section will survive the termination or expiration of this Agreement indefinitely.

13.2 Covenants Not to Compete.

(a) Restriction – In Term. During the term of this Agreement, neither Franchisee, any Owner, nor any spouse of an Owner (the "Restricted Parties or "Restricted Party") shall directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor.

(b) Restriction – Post Term. For two years after this Agreement expires or is terminated for any reason or, where applicable, for two years after a Transfer, no Restricted Party shall directly or indirectly operate, have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor which is located at the premises

upon which the Gradum Gswing is or was located or is located or within a twenty-five (25) mile radius of the Franchisee's location or any other Gradum Gswing location, whether owned by Franchisor or another Franchisee. Franchisee expressly agrees that the two-year period and the twenty-five (25) mile radius are the reasonable and necessary time and distance needed to protect Franchisor if this Agreement expires or is terminated for any reason. Franchisee agrees that the two-year time period of the non-competition provision shall not accrue during any time period that Franchisee or any Restricted Party is in violation of this covenant. If this Agreement is terminated before the Territory is determined, then the area of non-competition will be the Development Area and the territory of any other Gradum Gswing business operating on the date of termination.

(c) Interpretation. The parties agree that each of the foregoing covenants is independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any arbitrator or court, then the parties intend that the arbitrator or court modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Franchisor. Franchisee agrees that the existence of any claim it may have against Franchisor shall not constitute a defense to the enforcement by Franchisor of the covenants of this Section. If a Restricted Party fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

13.3 General Manager and Key Employees. If requested by Franchisor, Franchisee will cause its general manager and other employees to sign Franchisor's then-current form of confidentiality and non-compete agreement.

DEFAULT AND TERMINATION

14.1 Termination by Franchisee. Franchisee may terminate this Agreement only if Franchisor violates a material provision of this Agreement and fails to cure or to make substantial progress toward curing the violation within thirty (30) days after receiving written notice from Franchisee detailing the alleged default. Termination by Franchisee is effective ten (10) days after Franchisor receives written notice of termination.

14.2 Termination by Franchisor.

(a) Termination Subject to 10-Day Cure Period. Franchisor may terminate this Agreement if Franchisee does not make any payment to Franchisor when due, or if Franchisee has insufficient funds in its account when Franchisor attempts an electronic funds withdrawal, and Franchisee fails to cure such non-payment within ten (10) days after Franchisor gives notice to Franchisee of such breach.

(b) Termination Subject to 30-Day Cure Period. Franchisor may terminate this Agreement if Franchisee breaches this Agreement in any manner not described in subsection (a) or (c) of this Section 14.2, and Franchisee fails to cure such breach to Franchisor's satisfaction within thirty (30) days after Franchisor notifies Franchisee of the breach.

(c) Termination Without Cure Period. Franchisor may terminate this Agreement by giving notice to Franchisee, without opportunity to cure, if any of the following occur:

- (i) Franchisee misrepresented or omitted material facts when applying to be a franchisee, or makes any misrepresentation in this Agreement;
- (ii) Franchisee knowingly submits any false report or knowingly provides any other false information to Franchisor;
- (iii) a receiver or trustee for the Business or all or substantially all of Franchisee's property is appointed by any court, or Franchisee makes a general assignment for the benefit of Franchisee's creditors, or Franchisee is unable to pay its debts as they become due, or a levy or execution is made against the Business, or an attachment or lien remains on the Business for thirty (30) days unless the attachment or lien is being duly contested in good faith by Franchisee, or a petition in bankruptcy is filed by Franchisee, or such a petition is filed against or consented to by Franchisee and the petition is not dismissed within forty-five (45) days, or Franchisee is adjudicated as bankrupt;
- (iv) Franchisee fails to open the Training Facility for business by the date specified on the Summary Page after ten (10) days' notice from Franchisor;
- (v) Franchisee loses possession of the Location;
- (vi) Franchisee or any Owner commits a material violation of Section 7.2 of this Agreement (compliance with laws) or Section 13.1 of this Agreement (confidentiality), violates Section 13.2 of this Agreement (non-compete) or Article 15 of this Agreement (transfer), or commits any other violation of this Agreement which by its nature cannot be cured;
- (vii) Franchisee abandons the Training Facility or ceases operation of the Training Facility for more than five (5) consecutive days;
- (viii) Franchisee or any Owner slanders or libels Franchisor or any of its employees, directors, or officers;
- (ix) Franchisee refuses to cooperate with or permit any audit or inspection by Franchisor or its agents or contractors, or otherwise fails to comply with Sections 10.5 or 11.2 of this Agreement;
- (x) the Training Facility is operated in a manner which, in Franchisor's reasonable judgment, constitutes a significant danger to the health or safety of any person, and Franchisee fails to cure such danger within forty-eight (48) hours after becoming aware of the danger, whether as a result of notice from Franchisor or otherwise;
- (xi) Franchisee has received two or more notices of default and Franchisee commits another breach of this Agreement, all in the same 12-month period;
- (xii) Franchisor or any Franchisor affiliate terminates any other agreement with Franchisee (or any affiliate) due to the breach of such other agreement by Franchisee or its affiliate; provided however, that termination of a Multi-Territory

Development Agreement with Franchisee or its affiliate shall not automatically give Franchisor the right to terminate this Agreement;

- (xiii) Franchisee or any Owner is charged with, pleads guilty or no-contest to, or is convicted of a felony; or
- (xiv) Franchisee or any Owner is accused by any governmental authority or third party of any act, or if Franchisee or any Owner commits any act or series of acts, that in Franchisor's opinion is reasonably likely to materially and unfavorably affect the Gradum Gswing brand.

14.3 Effect of Termination. Upon termination or expiration of this Agreement, all obligations that by their terms or by reasonable implication survive termination, including those pertaining to non-competition, confidentiality, indemnity, and dispute resolution, will remain in effect, and Franchisee must immediately:

- (i) pay all amounts owed to Franchisor;
- (ii) return to Franchisor all copies of the Manual, Confidential Information and any and all other materials provided by Franchisor to Franchisee or created by a third party for Franchisee relating to the operation of the Training Facility , and all items containing any Marks, copyrights, and other proprietary items; and delete all Confidential Information and proprietary materials from electronic devices;
- (iii) notify the telephone, internet, email, electronic network, directory, and listing entities of the termination or expiration of Franchisee's right to use any numbers, addresses, domain names, locators, directories and listings associated with any of the Marks, and authorize their transfer to Franchisor or any new franchisee as may be directed by Franchisor, and Franchisee hereby irrevocably appoints Franchisor, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest; to execute such directions and authorizations as may be necessary or appropriate to accomplish the foregoing; and
- (iv) cease doing business under any of the Marks.

14.4 Remove Identification. Within thirty (30) days after termination or expiration of this Agreement, Franchisee shall at its own expense "de-identify" the Location so that it no longer contains the Marks, signage, or any trade dress of or associated with a Gradum Gswing training facility or business, to the reasonable satisfaction of Franchisor. Franchisee shall comply with any reasonable instructions and procedures of Franchisor for de-identification. If Franchisee fails to do so within thirty (30) days after this Agreement expires or is terminated, Franchisor may enter the Location to remove the Marks and de-identify the Location. In this event, Franchisor will not be charged with trespass nor be accountable or required to pay for any assets removed or altered, or for any damage caused by Franchisor.

14.5 Liquidated Damages. If Franchisor terminates this Agreement based upon Franchisee's default or if Franchisee purports to terminate this agreement for any reason not specified in Section 14.1 of this Agreement, then within ten (10) days thereafter Franchisee shall pay to Franchisor a

lump sum (as liquidated damages and not as a penalty) calculated as follows: (x) the average Royalty Fees and Brand Development Fund Contributions that Franchisee owed to Franchisor under this Agreement for the 52-week period preceding the date on which Franchisee ceased operating the Training Facility ; multiplied by (y) the lesser of (i) 104 or (ii) the number of weeks remaining in the then-current term of this Agreement. If Franchisee had not operated the Training Facility for at least 52 weeks, then (x) will equal the average Royalty Fees and Brand Development Fund Contributions that Franchisee owed to Franchisor during the period that Franchisee operated the Training Facility . The “average Royalty Fees and Brand Development Fund Contributions that Franchisee owed to Franchisor” shall not be discounted or adjusted due to any deferred or reduced Royalty Fees and Brand Development Fund Contributions set forth in an addendum to this Agreement unless this Section 14.5 of this Agreement is specifically amended in such addendum. Franchisee acknowledges that a precise calculation of the full extent Franchisor’s damages under these circumstances is difficult to determine and the method of calculation of such damages as set forth in this Section is reasonable. Franchisee’s payment to Franchisor under this Section 14.5 will be in lieu of any direct monetary damages that Franchisor may incur as a result of Franchisor’s loss of Royalty Fees and Brand Development Fund Contributions that would have been owed to Franchisor after the date of termination; however, such payment shall be in addition to all damages and other amounts arising under Sections 14.3 and 14.4 of this Agreement, Franchisor’s right to injunctive relief for enforcement of Article 13 of this Agreement, and any attorneys’ fees and other costs and expenses to which Franchisor is entitled under this Agreement. Except as provided in this Section, Franchisee’s payment of this lump sum shall be in addition to any other right or remedy that Franchisor may have under this Agreement or otherwise.

14.6 Purchase Option. When this Agreement expires or is terminated, Franchisor has the right but not the obligation to purchase any or all of the assets related to the Training Facility , and/or to require Franchisee to assign its lease or sublease to Franchisor. To exercise this option, Franchisor must notify Franchisee no later than thirty (30) days after this Agreement expires or is terminated. The purchase price for all assets that Franchisor elects to purchase will be the lower of (i) the book value of such assets as declared on Franchisee’s last filed tax returns or (ii) the fair market value of the assets. If the parties cannot agree on fair market value within thirty (30) days after the exercise notice, the fair market value will be determined by an independent appraiser reasonably acceptable to both parties. The parties will equally share the cost of the appraisal. Franchisor’s purchase will be of assets only (free and clear of all liens), and the purchase will not include any liabilities of Franchisee. The purchase price for assets will not include any factor or increment for any trademark or other commercial symbol used in the business, the value of any intangible assets, or any goodwill or “going concern” value for the Business. Franchisor may withdraw its exercise of the purchase option at any time before it pays for the assets. Franchisee will sign a bill of sale for the purchased assets and any other transfer documents reasonably requested by Franchisor. If Franchisor exercises the purchase option, Franchisor may deduct from the purchase price: (a) all amounts due from Franchisee; (b) Franchisee’s portion of the cost of any appraisal conducted hereunder; and (c) amounts paid or to be paid by Franchisor to cure defaults under Franchisee’s lease and/or amounts owed by Franchisee to third parties. If any of the assets are subject to a lien, Franchisor may pay a portion of the purchase price directly to the lienholder to pay off such lien. Franchisor may withhold twenty-five percent (25%) of the purchase price for ninety (90) days to ensure that all of Franchisee’s taxes and other liabilities are paid. Franchisor may assign this purchase option to another party.

TRANSFERS

15.1 By Franchisor. Upon notice to Franchisee, Franchisor may transfer or assign this Agreement, or any of its rights or obligations under this Agreement, to any person or entity, and Franchisor may undergo a change in ownership or control, without the consent of Franchisee.

15.2 By Franchisee. Franchisee acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and that Franchisor entered into this Agreement in reliance on Franchisee's business skill, financial capacity, personal character, experience, and business ability. Accordingly, Franchisee shall not Transfer this Agreement without obtaining Franchisor's prior written consent, which shall not be unreasonably withheld provided that certain conditions of Transfer are satisfied, including, without limitation, the following:

- (i) Franchisor receives a transfer fee equal to Ten Thousand Dollars (\$10,000) plus any broker fees and other out-of-pocket costs incurred by Franchisor;
- (ii) the proposed assignee and its owners have completed Franchisor's franchise application processes, meet Franchisor's then-applicable standards for new franchisees, and have been approved by Franchisor as franchisees;
- (iii) the proposed assignee is not a Competitor;
- (iv) the proposed assignee executes Franchisor's then-current form of franchise agreement and any related documents, which form may contain materially different provisions than this Agreement (provided, however, that the proposed assignee will not be required to pay an initial franchise fee);
- (v) all owners of the proposed assignee provide a guaranty in accordance with Section 2.5 of this Agreement;
- (vi) Franchisee has paid all monetary obligations to Franchisor and its affiliates, and to any lessor, vendor, supplier, or lender to the Business, and Franchisee is not otherwise in default or breach of this Agreement or of any other obligation owed to Franchisor or its affiliates;
- (vii) the proposed assignee and its owners and employees undergo such training as Franchisor may require;
- (viii) Franchisee, its Owners, and the transferee and its owners execute a general release of Franchisor in a form satisfactory to Franchisor; and
- (ix) the Training Facility fully complies with all of Franchisor's most recent Standards.

15.3 Transfer for Convenience of Ownership. If Franchisee is an individual, Franchisee may Transfer this Agreement to a corporation or limited liability company formed for the convenience of ownership after at least fifteen (15) days' notice to Franchisor, if, prior to the Transfer: (1) the transferee provides the information required by Section 2.3 of this Agreement; (2) Franchisee provides copies of the entity's charter documents, by-laws or operating agreement and similar

documents, as may be requested by Franchisor, (3) Franchisee owns all voting securities of the corporation or limited liability company, and (4) Franchisee provides a guaranty in accordance with Section 2.5 of this Agreement.

15.4 Transfer upon Death or Incapacity. Upon the death or incapacity of Franchisee (or, if Franchisee is an entity, the Owner with the largest ownership interest in Franchisee), the executor, administrator, or personal representative of that person must Transfer the Business to a third party approved by Franchisor (or to another person who was an Owner at the time of death or incapacity of the largest Owner) within nine months after death or incapacity. Such transfer must comply with Section 15.2 of this Agreement.

15.5 Franchisor's Right of First Refusal. Before Franchisee (or any Owner) engages in a Transfer (except under Section 15.3 of this Agreement, to a co-Owner, or to a spouse, sibling, or child of an Owner), Franchisor will have a right of first refusal, as set forth in this Section. Franchisee (or its Owners) shall provide to Franchisor a copy of the terms and conditions of any Transfer. For a period of thirty (30) days from the date of Franchisor's receipt of such copy, Franchisor will have the right, exercisable by notice to Franchisee, to purchase the assets subject of the proposed Transfer for the same price and on the same terms and conditions (except that Franchisor may substitute cash for any other form of payment). If Franchisor does not exercise its right of first refusal, Franchisee may proceed with the Transfer, subject to the other terms and conditions of this Article.

15.6 No Sublicense. Franchisee has no right to sublicense the Marks or any of Franchisee's rights under this Agreement.

15.7 No Lien on Agreement. Franchisee shall not grant a security interest in this Agreement to any person or entity. If Franchisee grants an "all assets" security interest to any lender or other secured party, Franchisee shall cause the secured party to expressly exempt this Agreement from the security interest.

INDEMNITY

16.1 Indemnity. Franchisee shall indemnify and defend, with counsel reasonably acceptable to Franchisor, Franchisor, its parent entities, subsidiaries and affiliates, and their respective owners, directors, officers, employees, agents, successors and assignees (collectively, "Indemnitees") against all Losses in any Action by or against Franchisor and/or any Indemnatee arising directly or indirectly related to, or alleged to arise out of, the operation of the Business. Franchisee shall not settle an Action without the consent of the Indemnatee. This indemnity will continue in full force and effect and shall survive any termination or expiration of this Agreement.

16.2 Assumption. An Indemnatee may elect to assume the defense of any Action subject to this indemnification, and control all aspects of defending the Action, including negotiations and settlement, at Franchisee's expense. Such an undertaking shall not diminish Franchisee's obligation to indemnify the Indemnitees.

DISPUTE RESOLUTION

17.1 Arbitration.

(a) Disputes Subject to Arbitration. Except as expressly provided in subsection (c) and (d), any controversy or claim between the parties (including any controversy or claim arising out of or relating to this Agreement or its formation and including any question of arbitrability) shall be resolved by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, including the Optional Rules for Emergency Measures of Protection. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction.

(b) Location. The place of arbitration shall be the city and state where Franchisor's headquarters are located.

(c) Injunctive Relief. Either party may apply to the arbitrator seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either party also may, without waiving any remedy or right to arbitrate under this Agreement, seek from any court having jurisdiction any interim or provisional injunctive relief.

(d) Intellectual Property Claims. A claim involving an alleged infringement of any of Franchisor's intellectual property rights may be brought in a court authorized to hear such claims under Section 17.5 of this Agreement without first proceeding in arbitration.

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

(f) Performance During Arbitration or Litigation. Unless this Agreement has been terminated, Franchisor and Franchisee will comply with this Agreement and perform their respective obligations under this Agreement during the arbitration or litigation process.

17.2 Damages. In any controversy or claim arising out of or relating to this Agreement, each party waives any right to punitive or other monetary damages not measured by the prevailing party's actual damages, except damages expressly authorized by federal statute and damages expressly authorized by this Agreement.

17.3 Waiver of Class Actions. The parties agree that any claims will be arbitrated, litigated, or otherwise resolved on an individual basis, and waive any right to act on a class-wide basis.

17.4 Time Limitation. Any arbitration or other legal action arising from or related to this Agreement must be instituted within two years from the date such party discovers the conduct or event that forms the basis of the arbitration or other legal action. The foregoing time limit does not apply to claims (i) by one party related to non-payment under this Agreement by the other party, (ii) for indemnification under Article 16 of this Agreement, or (iii) related to unauthorized use of Confidential Information or the Marks.

17.5 Venue Other Than Arbitration. For any legal proceeding not required to be submitted to arbitration, the parties agree that any such legal proceeding will be brought in the United States District Court where Franchisor's headquarters is then located. If there is no federal jurisdiction over the dispute, the parties agree that any such legal proceeding will be brought in the court of appropriate jurisdiction in the state and county where Franchisor's headquarters is then located. Each party consents to the jurisdiction of such courts and waives any objection that it, he or she may have to the laying of venue of any proceeding in any of these courts.

17.6 Legal Costs. In any legal proceeding (including arbitration) related to this Agreement or any guaranty, the non-prevailing party shall pay the prevailing party's attorney fees, costs and other expenses of the legal proceeding. "Prevailing party" means the party, if any, which prevailed upon the central litigated issues and obtained substantial relief.

MISCELLANEOUS

18.1 Relationship of the Parties. The parties are independent contractors, and neither is the agent, partner, joint venturer, or employee of the other. Franchisor is not a fiduciary of Franchisee. Franchisor does not control or have the right to control Franchisee or its Business. Any required specifications and standards in this Agreement and in the Standards exist to protect Franchisor's interest in the and the Marks, and the goodwill established in them, and not for the purpose of establishing any control, or duty to take control, over the Business. Franchisor has no liability for Franchisee's obligations to any third party whatsoever.

18.2 No Third-Party Beneficiaries. This Agreement does not confer any rights or remedies upon any person or entity other than Franchisee and Franchisor.

18.3 Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersedes all prior discussions, negotiations and representations. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made by GradumGswing Franchising, LLC in its Franchise Disclosure Document.

18.4 Modification. No modification or amendment of this Agreement will be effective unless it is in writing and signed by both parties. This provision does not limit Franchisor's rights to modify the Manual or Standards.

18.5 Consent; Waiver. No consent under this Agreement, and no waiver of satisfaction of a condition or nonperformance of an obligation under this Agreement will be effective unless it is in writing and signed by the party granting the consent or waiver. No waiver by a party of any right will affect the party's rights as to any subsequent exercise of that right or any other right. No delay, forbearance or omission by a party to exercise any right will constitute a waiver of such right.

18.6 Cumulative Remedies. Rights and remedies under this Agreement are cumulative. No enforcement of a right or remedy precludes the enforcement of any other right or remedy.

18.7 Severability. The parties intend that (i) if any provision of this Agreement is held by an arbitrator or court to be unenforceable, then that provision be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case

that provision will be disregarded, and (ii) if an unenforceable provision is modified or disregarded, then the rest of this Agreement will remain in effect as written.

18.8 Governing Law. The laws of the state of Florida (without giving effect to its principles of conflicts of law) govern all adversarial proceedings between the parties. The parties agree that any Florida law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 18.8.

18.9 Notices. Any notice will be effective under this Agreement only if made in writing and delivered as set forth in this Section to: (A) if to Franchisee, addressed to Franchisee at the notice address set forth in the Summary Page; and (B) if to Franchisor, addressed to Chief Executive Officer, GradumGswing Franchising, LLC, 7872 SW Jack James Drive, Unit 4, Stuart, Florida 34997. Any party may designate a new address for notices by giving notice of the new address pursuant to this Section. Notices will be effective upon receipt (or first rejection) and must be: (1) delivered personally; (2) sent by registered or certified U.S. mail with return receipt requested; or (3) sent via overnight courier. Notwithstanding the foregoing, Franchisor may amend the Manual, give binding notice of changes to Standards, and deliver notices of default by electronic mail or other electronic communication.

18.10 Holdover. If Franchisee continues operating the Training Facility after the expiration of the term without a renewal agreement or successor franchise agreement executed by the parties in accordance with Section 3.2 of this Agreement, then at any time (regardless of any course of dealing by the parties), Franchisor may by giving written notice to Franchisee (the “Holdover Notice”) either (i) require Franchisee to cease operating the Training Facility and comply with all post-closing obligations effective immediately upon giving notice or effective on such other date as Franchisor specifies, or (ii) bind Franchisee to a renewal term of 5 years, and deem Franchisee and its Owners to have made the general release of liability described in Section 3.2(vi) of this Agreement.

18.11 Joint and Several Liability. If two or more people sign this Agreement as “Franchisee,” each will have joint and several liability.

18.12 No Offer and Acceptance. Delivery of a draft of this Agreement to Franchisee by Franchisor does not constitute an offer. This Agreement shall not be effective unless and until it is executed by both Franchisee and Franchisor.

CERTIFICATION OF FRANCHISOR’S COMPLIANCE

By signing this Agreement, Franchisee acknowledges the following:

- (1) Franchisee understands all the information in Franchisor’s Disclosure Document.
- (2) Franchisee understands the success or failure of the Business will depend in large part upon Franchisee’s skills, abilities and efforts and those of the persons Franchisee employs, as well as many factors beyond Franchisee’s control such as weather, competition, interest rates, the economy, inflation, labor and supply costs, lease terms, and the marketplace.

- (3) That no person acting on Franchisor's behalf made any statement or promise regarding the costs involved in operating a Gradum Gswing franchise that is not in the Disclosure Document or that is contrary to, or different from, the information in the Disclosure Document.
- (4) That no person acting on Franchisor's behalf made any claim or representation to Franchisee, orally, visually, or in writing, that contradicted the information in the Disclosure Document.
- (5) That no person acting on Franchisor's behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money Franchisee may earn, or the total amount of revenue a Gradum Gswing franchise will generate, that is not in the Disclosure Document or that is contrary to, or different from, the information in the Disclosure Document.
- (6) That no person acting on Franchisor's behalf made any statement or promise or agreement, other than those matters addressed in this Agreement, concerning advertising, marketing, media support, market penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the Disclosure Document.
- (7) Franchisee understands that this Agreement contains the entire agreement between Franchisor and Franchisee concerning the Gradum Gswing franchise, which means that any oral or written statements not set out in this Agreement will not be binding. In deciding to enter into this Agreement, Franchisee is not relying on any statement, promise, claim, or representation not expressly set forth in this Agreement or in the Disclosure Document.

[Signatures on next page]

Agreed to by:

FRANCHISOR:
GradumGswing Franchising, LLC

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

FRANCHISEE:

[if an individual:]

Name: _____
Date: _____

[if an entity:]

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

EXHIBIT 1 TO THE
GRADUM GSWING FRANCHISE AGREEMENT

OWNERSHIP INFORMATION

1. **Form of Ownership.** Franchisee is a (check one):

_____ *Sole Proprietorship*
_____ *Partnership*
_____ *Limited Liability Company*
_____ *Corporation*

State: _____

2. **Owners.** If Franchisee is a partnership, limited liability company or corporation:

Name	Shares or Percentage of Ownership

3. **Officers.** If Franchisee is a limited liability company or corporation:

Name	Title

EXHIBIT 2 TO THE
GRADUM GSWING FRANCHISE AGREEMENT

LOCATION ACCEPTANCE LETTER

To: _____

This Location Acceptance Letter is issued by GradumGswing Franchising, LLC for your Gradum Gswing franchise in accordance with Section 6.1 of the Franchise Agreement.

1. The Location of the Training Facility is:

2. The Territory of the Training Facility is:

GradumGswing Franchising, LLC

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT 3 TO THE
GRADUM GSWING FRANCHISE AGREEMENT

GUARANTY AND NON-COMPETE AGREEMENT

This Guaranty and Non-Compete Agreement (this “Guaranty”) is executed by the undersigned person(s) (each, a “Guarantor”) in favor of GradumGswing Franchising, LLC, a Florida Limited Liability Company (“Franchisor”).

Background Statement: _____ (“Franchisee”) desires to enter into a Franchise Agreement with Franchisor for the franchise of a Gradum Gswing business (the “Franchise Agreement,” capitalized terms used but not defined in this Guaranty have the meanings given in the Franchise Agreement). Guarantor owns an equity interest in Franchisee. Guarantor is executing this Guaranty in order to induce Franchisor to enter into the Franchise Agreement.

Guarantor agrees as follows:

1. Guaranty. Guarantor hereby unconditionally guarantees to Franchisor and its successors and assigns that Franchisee shall pay and perform every undertaking, agreement and covenant set forth in the Franchise Agreement and further guarantees every other liability and obligation of Franchisee to Franchisor, whether or not contained in the Franchise Agreement. Guarantor shall render any payment or performance required under the Franchise Agreement or any other agreement between Franchisee and Franchisor upon demand from Franchisor. Guarantor waives (a) acceptance and notice of acceptance by Franchisor of this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations of Franchisee; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right Guarantor may have to require that an action be brought against Franchisee or any other person or entity as a condition of liability hereunder; (e) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the execution of and performance under this Guaranty by the undersigned; (f) any law which requires that Franchisor make demand upon, assert claims against or collect from Franchisee or any other person or entity (including any other guarantor), foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any other person or entity (including any other guarantor) prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guaranty; and (g) any and all other notices and legal or equitable defenses to which Guarantor may be entitled.

2. Confidential Information. With respect to all Confidential Information Guarantor shall (a) adhere to all security procedures prescribed by Franchisor for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the or the Training Facility ; (c) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Franchisor, (d) exercise the highest degree of diligence and make every effort to maintain the confidentiality of all such information during and

after the term of the Franchise Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Guarantor acknowledges that all Confidential Information is owned by Franchisor or its affiliates (except for Confidential Information which Franchisor licenses from another person or entity). Guarantor acknowledges that all customer data generated or obtained by Guarantor is Confidential Information belonging to Franchisor. This Section will survive the termination or expiration of the Franchise Agreement indefinitely.

3. Covenants Not to Compete.

(a) Restriction - In Term. During the term of the Franchise Agreement, Guarantor shall not directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor.

(b) Restriction – Post Term. For two years after the Franchise Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer by Guarantor), Guarantor shall not directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor located within twenty-five (25) miles of Franchisee's Territory or the territory of any other Gradum Gswing business operating on the date of termination or transfer, as applicable. If the Franchise Agreement is terminated before the Territory is determined, then the area of non-competition will be the Development Area and the territory of any other Gradum Gswing business operating on the date of termination.

(c) Interpretation. Guarantor agrees that each of the foregoing covenants is independent of any other covenant or provision of this Guaranty or the Franchise Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court or arbitrator, then the parties intend that the court or arbitrator modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Franchisor. Guarantor agrees that the existence of any claim it or Franchisee may have against Franchisor shall not constitute a defense to the enforcement by Franchisor of the covenants of this Section. If Guarantor fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

4. Modification. Guarantor agrees that Guarantor's liability hereunder shall not be diminished, relieved or otherwise affected by (a) any amendment of the Franchise Agreement, (b) any extension of time, credit or other indulgence which Franchisor may from time-to-time grant to Franchisee or to any other person or entity, or (c) the acceptance of any partial payment or performance or the compromise or release of any claims.

5. Governing Law; Dispute Resolution. This Guaranty shall be governed by and construed in accordance with the laws of the state of Florida (without giving effect to its principles of conflicts of law). The parties agree that any Florida law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 5. The provisions of Article 17 (Dispute Resolution) of the Franchise Agreement apply to and are incorporated into this Guaranty as if fully set forth herein. Guarantor shall pay to Franchisor all costs incurred by Franchisor (including reasonable attorney

fees) in enforcing this Guaranty. If multiple Guarantors sign this Guaranty, each will have joint and several liability.

Agreed to by:

Name: _____

Address: _____

Date: _____

Name: _____

Address: _____

Date: _____

Name: _____

Address: _____

Date: _____

EXHIBIT 4 TO THE
GRADUM GSWING FRANCHISE AGREEMENT

ACH PAYMENT AGREEMENT

ACCOUNT NAME: _____
CUSTOMER NUMBER: _____
FRANCHISE NAME: _____

AUTHORIZATION AGREEMENT FOR ACH Payments:

(I/we) do hereby authorize GradumGswing Franchising, LLC, a Florida Limited Liability Company, (hereinafter “Franchisor”) to initiate (debit or credit) entries to (my/our) (Checking Account / Savings Account) as indicated and named below as the depository financial institution, hereafter named FINANCIAL INSTITUTION pursuant to the terms of the Franchise Agreement by and between us and the Franchisor.

(I/we) acknowledge that the origination of ACH transactions to my (my/our) account must comply with the provisions of U.S. law. Furthermore, if any such debit(s) should be returned NSF, (I/we) authorize the Franchisor to collect such debit(s) by electronic debit and subsequently collect a returned debit NSF fee of \$75 per item by electronic debit from my account identified below. In the event all funds and interests are not received by Franchisor within 15 days from presentment and intended withdrawal from our account by Franchisor, then we will be deemed in default of the Franchise Agreement. We further agree to pay all reasonable costs of collection including but not limited to reasonable attorney’s fees and court costs incurred by Franchisor. I am a duly authorized check signer on the financial institution account identified below and authorize all of the above as evidenced by my signature below.

CHECK (ACH) INFORMATION ROUTING NUMBER:

ACCOUNT NUMBER: _____
DEPOSITORY NAME: _____
BRANCH: _____
CITY: _____ STATE: _____ ZIP: _____

COMPANY NAME: _____
FIRST NAME/LAST NAME: _____
BILLING ADDRESS: _____
CITY: _____ STATE: _____ ZIP: _____
PHONE NUMBER: _____
CUSTOMER NUMBER: _____
SIGNATURE ON FILE: _____
PHONE OR EMAIL APPROVAL AUTHORIZATION NUMBER: _____

FRANCHISEE: _____
By: _____
Name: _____

Title: _____
Date: _____

EXHIBIT 5 TO THE
GRADUM GSWING FRANCHISE AGREEMENT

RIDER TO LEASE AGREEMENT

Landlord: _____

Notice Address: _____

Telephone: _____

Franchisor: GradumGswing Franchising, LLC

Notice Address:

7872 SW Jack James Drive, Unit 4,

Stuart, Florida 34997

Telephone: _____

Tenant: _____

Leased Premises: _____

1. Use. Tenant is a franchisee of Franchisor. The Leased Premises shall be used only for the operation of a Gradum Gswing business (or any name authorized by Franchisor).

2. Notice of Default and Opportunity to Cure. Landlord shall provide Franchisor with copies of any written notice of default (“Default”) given to Tenant under the Lease, and Landlord grants to Franchisor the option (but not the obligation) to cure any Default under the Lease (should Tenant fail to do so) within ten (10) days after the expiration of the period in which Tenant may cure the Default.

3. Termination of Lease. Proprietor shall copy Franchisor on any notice of termination of the Lease. If Landlord terminates the Lease for Tenant’s Default, Franchisor shall have the option to enter into a new Lease with Landlord on the same terms and conditions as the terminated Lease. To exercise this option, Franchisor must notify Landlord within fifteen (15) days after Franchisor receives notice of the termination of the Lease.

4. Termination of Franchise Agreement. If the Franchise Agreement between Franchisor and Tenant is terminated during the term of the Lease, then upon the written request of Franchisor, Tenant shall assign the Lease to Franchisor. Landlord hereby consents to the assignment of the Lease to Franchisor.

5. Assignment and Subletting. Notwithstanding any provision of the Lease to the contrary, Tenant shall have the right to assign or sublet the Lease to Franchisor, provided that no such assignment or sublease shall relieve Tenant or any guarantor of liability under the Lease. If Franchisor becomes the lessee of the Leased Premises, then Franchisor shall have the right to assign or sublease its lease to a franchisee of the Gradum Gswing brand. Any provision of the

Lease which limits Tenant's right to own or operate other Gradum Gswing outlets in proximity to the Leased Premises shall not apply to Franchisor.

6. Authorization. Tenant authorizes Landlord and Franchisor to communicate directly with each other about Tenant and Tenant's business.

7. Right to Enter. Upon the expiration or termination of the Franchise Agreement or the Lease, or the termination of Tenant's right of possession of the Leased Premises, Franchisor or its designee may, after giving reasonable prior notice to Landlord, enter the Leased Premises to remove signs and other material bearing Franchisor's brand name, trademarks, and commercial symbols, provided that Franchisor will be liable to Landlord for any damage Franchisor or its designee causes by such removal.

8. No Liability. By executing this Rider, Franchisor does not assume any liability with respect to the Leased Premises or any obligation as Tenant under the Lease.

Executed by:

LANDLORD:

By: _____

Name: _____

Title: _____

Date: _____

TENANT:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

GradumGswing Franchising, LLC

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT C TO DISCLOSURE DOCUMENT

MULTI-TERRITORY DEVELOPMENT AGREEMENT

This Multi-Territory Development Agreement (this “MTDA”) is made between GradumGswing Franchising, LLC, a Florida Limited Liability Company (“Franchisor”) and _____, a _____ (“Franchisee”) on _____, _____, 20____ the (“Effective Date”).

Background Statement: On the same day as they executed this MTDA, Franchisor and Franchisee have entered into a Franchise Agreement for the franchise of a Gradum Gswing training facility (the “Franchise Agreement,” capitalized terms used but not defined in this MTDA have the meanings given in the Franchise Agreement). Franchisor and Franchisee desire that Franchisee open multiple Gradum Gswing facilities.

1. Multi-Territory Commitment.

(a) Development Schedule; Fee. Franchisee shall develop and open _____ training facilities on the following schedule:

Franchise #	Deadline for Opening	Total Training Facilities to be Open and Operating on Deadline	Initial Franchise Fee
1	Date on the Summary Page	1	\$_____
2	Start of 5 th month from Effective Date	1	\$_____
3	Start of 8 th month from Effective Date	1	\$_____
4	Start of 12 th month from Effective Date	1	\$_____
5	Start of 16 th month from Effective Date	1	\$_____
6	Start of 20 th month from Effective Date	1	\$_____
7	Start of 23 rd month from Effective Date	1	\$_____
8	Start of 26 th month from Effective Date	1	\$_____

9	Start of 28 th month from Effective Date	1	\$ _____
10	Start of 30 th month from Effective Date	1	\$ _____
Total Initial Franchise Fee:			

(b) **Payment.** Upon execution of this MTDA, Franchisee shall pay the total Initial Franchise Fees to Franchisor. The Initial Franchise Fees are non-refundable.

2. Form of Agreement. For the first location, Franchisee and Franchisor have executed the Franchise Agreement simultaneously with this MTDA. For each additional franchise, Franchisee shall execute Franchisor's then-current standard form of franchise agreement no later than three business days after Franchisee identifies a location with the Franchisor. For each additional franchise, Franchisee shall pay the total Gradum in Box (Build Out) Fee to Franchisor's affiliate, Gradum in Box, LLC, no later than three business days after Franchisee execute Franchisor's then-current standard form of franchise agreement. The Gradum in Box (Build Out) Fee is non-refundable. This MTDA does not give Franchisee the right to construct, open, or operate a Gradum Gswing training facility, and Franchisee acknowledges that Franchisee may construct, open, and operate each Gradum Gswing training facility only pursuant to a separate franchise agreement executed pursuant to this MTDA for each Gradum Gswing training facility.

3. Development Area. Franchisee shall locate each Gradum Gswing training facility it develops under this MTDA within the following area: _____ (the "Development Area"). Franchisee acknowledges that it does not have exclusive rights to develop, open or operate Gradum Gswing training facilities in the Development Area.

4. Default and Termination. Franchisor may terminate this MTDA by giving notice to Franchisee, without opportunity to cure, if any of the following occur:

- (i) Franchisee fails to satisfy the development schedule; or
- (ii) Franchisor has the right to terminate any franchise agreement between Franchisor and Franchisee (or any affiliate thereof) due to Franchisee's default thereunder (whether or not Franchisor actually terminates such franchise agreement).

5. Limitation of Liability. Franchisee's commitment to develop Gradum Gswing training facilities is in the nature of an option only. If Franchisor terminates this MTDA for Franchisee's default, Franchisee shall not be liable to Franchisor for lost future revenues or profits from the unopened Gradum Gswing training facilities.

6. Conditions. Franchisee's right to develop each Gradum Gswing franchise after the first franchise is subject to the following:

- (i) Franchisee must possess sufficient financial and organizational capacity to develop, open, operate, and manage each additional Gradum Gswing training facility in the reasonable judgment of Franchisor, and
- (ii) Franchisee must be in full compliance with all brand requirements at its operating Gradum Gswing Training Facility(ies), and not in default under any Franchise Agreement or any other agreement with Franchisor.

7. Dispute Resolution; Miscellaneous. The laws of the State of Florida (without giving effect to its principles of conflicts of law) govern all adversarial proceedings between the parties. The parties agree that any Florida law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 7. Franchisee shall not Transfer this MTDA without the prior written consent of Franchisor, and any Transfer without Franchisor's prior written consent shall be void. The provisions of Article 17 (Dispute Resolution) and Article 18 (Miscellaneous) of the Franchise Agreement apply to and are incorporated into this MTDA as if fully set forth herein.

[Signatures on Next Page]

Agreed to by:

FRANCHISOR:

GradumGswing Franchising, LLC

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

[if an individual:]

Name: _____

[if an entity:]

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT D TO DISCLOSURE DOCUMENT

FORM OF GENERAL RELEASE

[This is our current standard form of General Release. This document is not signed when you purchase a franchise. In circumstances such as a renewal of your franchise or as a condition of our approval of a sale of your franchise, we may require you to sign a general release.]

This General Release (“Release”) is executed by the undersigned (“Releasor”) in favor of GradumGswing Franchising, LLC, a Florida Limited Liability Company (“Franchisor”).

Background Statement: *[describe circumstances of Release]*

Releasor agrees as follows:

- 1. Release.** Releasor (on behalf of itself and its parents, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, managers, members, partners, agents, and employees (collectively, the “Releasing Parties”)) hereby releases Franchisor its affiliates, and their respective directors, officers, shareholders, employees, and agents (collectively, the “Released Parties”) from any and all claims, causes of action, suits, debts, agreements, promises, demands, liabilities, contractual rights and/or obligations, of whatever nature, known or unknown, which any Releasing Party now has or ever had against any Released Party based upon and/or arising out of events that occurred through the date hereof, including without limitation, anything arising out of the Franchise Agreement (collectively, “Claims”).
- 2. Covenant Not to Sue.** Releasor (on behalf of all Releasing Parties) covenants not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of crossclaim, defense, or counterclaim, against any Released Party with respect to any Claim.
- 3. Representations and Acknowledgments.** Releasor represents and warrants that: (i) Releasor is the sole owner of all Claims, and that no Releasing Party has assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim; (ii) Releasor has full power and authority to sign this Release; and (iii) this Release has been voluntarily and knowingly signed after Releasor has had the opportunity to consult with counsel of Releasor’s choice. Releasor acknowledges that the release in Section 1 is a complete defense to any Claim.
- 4. Miscellaneous.** If any of the provisions of this Release are held invalid for any reason, the remainder of this Release will not be affected and will remain in full force and effect. In the event of any dispute concerning this Release, the dispute resolution, governing law, and venue provisions of the Franchise Agreement shall apply. Releasor agrees to take any actions and sign any documents that Franchisor reasonably requests to effectuate the purposes of this Release. This Release contains the entire agreement of the parties concerning the subject matter hereof. This Release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Agreed to by:

Name: _____
Date: _____

EXHIBIT E TO DISCLOURE DOCUMENT

FINANCIAL STATEMENTS

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

GradumGswing Franchising, LLC

Balance Sheet

As of November 15, 2024

	Total
ASSETS	
Current Assets	
Bank Accounts	
10010 Business Adv Fundamentals - 0093 - 4	1,702.75
10020 Business Adv Fundamentals - 3371 - 4	4.00
Checking Account	24,107.39
Gradumgswingfranchising, LLC (0101) - 1	2,236.20
Total Bank Accounts	28,050.34
Accounts Receivable	
10030 Accounts Receivable (A/R)	16,251.68
Total Accounts Receivable	16,251.68
Total Current Assets	44,302.02
TOTAL ASSETS	\$44,302.02
LIABILITIES AND EQUITY	
Liabilities	
Total Liabilities	
Equity	
30020 Distributions	-74,520.29
30040 Retained Earnings	-2,622.71
Carlos Garmendia	278.10
Contributions	-2,500.00
Net Income	123,666.92
Total Equity	44,302.02
TOTAL LIABILITIES AND EQUITY	\$44,302.02

EXHIBIT F TO DISCLOSURE DOCUMENT
OPERATIONS MANUAL TABLE OF CONTENTS

Gradum Gswing
Franchise Brand Standards Manual
Table of Contents

Section	Number of Pages (Including <i>Cover Pages and Table of Contents Pages</i>)
Section A: Introduction	15
Section B: Establishing a Franchise Business	40
Section C: Personnel & Training	30
Section D: Administrative Procedures	30
Section E: Daily Procedures	25
Section F: Selling & Marketing	15
Total Number of Pages	155



EXHIBIT G TO DISCLOSURE DOCUMENT

CURRENT AND FORMER FRANCHISEES

Current Franchisees

Names of all current franchisees (as of the end of our last fiscal year) and the address and telephone number of each of their outlets:

Cincinnati – Lutz Baseball, LLC

11755 Mosteller Rd Sharonville, OH 45241

(513) 345-0267

Cleveland - John Fuduric Baseball Academy, LLC

4734 Topps Industrial Pkwy, Suite 1 Willoughby, OH 44094

(216) 990-0370

*** South Miami – Erro 305 Ventures, LLC**

6775 SW 81st St Unit 6, Miami, FL 33143

(305) 546-5945

*** Fort Myers – Erro 527 Holdings, LLC**

14231 W Jetport Loop Unit 7, Fort Myers, FL 33913

(239) 222-3391

*** Carrollton – BFP Dallas, LLC**

2520 Tarpley Rd STE 100, Carrollton, TX 75006

(972) 440-9594

* Franchise Agreements were terminated early in 2024 and locations were purchased back by the Franchisor, and they are now Corporate Owned.

Note: We did not have any multi-unit developers at the close of our last fiscal year.

Former Franchisees

Name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the disclosure document issuance date:

Jeffrey Beigun, Palm Beach County, Florida (561) 262-9098

EXHIBIT H TO DISCLOSURE DOCUMENT
STATE ADDENDA TO DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of Business Oversight, prior to a solicitation of a proposed material modification of an existing franchise.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE OFFERING CIRCULAR.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF BUSINESS OVERSIGHT NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

ALL THE OWNERS OF THE FRANCHISE WILL BE REQUIRED TO EXECUTE PERSONAL GUARANTEES. THIS REQUIREMENT PLACES THE MARITAL ASSETS OF THE SPOUSES DOMICILED IN COMMUNITY PROPERTY STATES – ARIZONA, CALIFORNIA, IDAHO, LOUISIANA, HAWAII, NEW MEXICO, TEXAS, WASHINGTON AND WISCONSIN AT risk IF YOUR FRANCHISE FAILS.

1. The following paragraph is added to the end of Item 3 of the Disclosure Document:

Neither franchisor nor any person or franchise broker in Item 2 of this disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in that association or exchange.

2. The following paragraph is added to the end of Item 6 of the Disclosure Document:

With respect to the Late Fee described in Item 6, this Item is amended to disclose that the maximum rate of interest permitted under California law is 10%.

3. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

The Franchise Agreement requires franchisee to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of that law or any rule or order thereunder is void.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement requires binding arbitration. The arbitration will occur in Miami Dade County, Florida, with the costs being borne equally by Franchisor and Franchisee. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires application of the laws of Florida to apply. This provision may not be enforceable under California law.

4. The following paragraph is added at the end of Item 19 of the Disclosure Document:

The earnings claims figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees, listed in the offering circular, may be one source of this information.

HAWAII ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Hawaii only, this Disclosure Document is amended as follows:

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Registered agent in the state authorized to receive service of process:

Commissioner of Securities
335 Merchant Street
Honolulu, Hawaii 96813

Registration of franchises or filings of offering circulars in other states. As of the date of filing of this Addendum in the State of Hawaii:

1. A franchise registration is effective, or an offering circular is on file in the following states: _____
2. A proposed registration or filing is or will be shortly on file in the following states:

3. No states have refused, by order or otherwise to register these franchises.
4. No states have revoked or suspended the right to offer these franchises.
5. The proposed registration of these franchises has not been withdrawn in any state.

ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, as amended (the “Act”), this Disclosure Document is amended as follows:

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Act provides that any provision in a franchise agreement that designates jurisdiction of venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Act.

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Maryland only, this Disclosure Document is amended as follows:

The following is added to Item 17:

The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

You have the right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

The Franchise Agreement provides for termination upon bankruptcy of the franchisee. This provision may not be enforceable under federal bankruptcy law.

MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Minnesota only, this Disclosure Document is amended as follows:

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.
- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).
- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.
- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, which states "No action may be commenced pursuant to this Section more than three years after the cause of action accrues."

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION

WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

In the State of New York only, this Disclosure Document is amended as follows:

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY ST. 21ST FLOOR, NEW YORK, NY 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending

action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the “Summary” sections of Item 17(c), titled **“Requirements for franchisee to renew or extend,”** and Item 17(m), entitled **“Conditions for franchisor approval of transfer”**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your 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 provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the “Summary” section of Item 17(d), titled **“Termination by franchisee”**:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the “Summary” section of Item 17(j), titled **“Assignment of contract by franchisor”**:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

8. The following is added to the end of the “Summary” sections of Item 17(v), titled **“Choice of forum”**, and Item 17(w), titled **“Choice of law”**: The foregoing choice of law should not be

considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

9. The following is added to the end of Item 19:

REPRESENTATIONS REGARDING EARNINGS CAPABILITY

GRADUMGSWING FRANCHISING, LLC DOES NOT FURNISH OR AUTHORIZE ITS SALESPERSONS TO FURNISH ANY ORAL OR WRITTEN INFORMATION CONCERNING THE ACTUAL OR POTENTIAL SALES, COSTS, INCOME OR PROFITS OF A FRANCHISE. ACTUAL RESULTS VARY FROM UNIT TO UNIT AND, GRADUMGSWING FRANCHISING, LLC CANNOT ESTIMATE THE EARNINGS OF ANY PARTICULAR FRANCHISE.

NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

In the State of North Dakota only, this Disclosure Document is amended as follows:

THE SECURITIES COMMISSIONER HAS HELD THE FOLLOWING TO BE UNFAIR, UNJUST OR INEQUITABLE TO NORTH DAKOTA FRANCHISEES (NDCC SECTION 51-19-09):

1. Restrictive Covenants: Franchise disclosure documents that disclose the existence of covenants restricting competition contrary to NDCC Section 9-08-06, without further disclosing that such covenants will be subject to the statute.
2. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.
3. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
4. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
5. Applicable Laws: Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.
6. Waiver of Trial by Jury: Requiring North Dakota Franchises to consent to the waiver of a trial by jury.
7. Waiver of Exemplary and Punitive Damages: Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damage.
8. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.
9. Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
10. Enforcement of Agreement: Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

RHODE ISLAND ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Rhode Island only, this Disclosure Document is amended as follows:

Item 17, summary columns for (v) and (w) are amended to add the following:

Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of a state other than Rhode Island is void as to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT

In the Commonwealth of Virginia only, this Disclosure Document is amended as follows:

The following statements are added to Item 17(h):

Under 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 do not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to the franchisee under the franchise, that provision may not be enforceable.

Item 17(t) is amended to read as follows:

Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.

WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT

(See Exhibit H and I for Washington Addendum to Disclosure Document and Rider to Franchise Agreement)

EXHIBIT I

STATE ADDENDA TO AGREEMENTS

ILLINOIS RIDER TO FRANCHISE AND MULTI-TERRITORY DEVELOPMENT AGREEMENT

This Rider amends the Franchise and Multi-Territory Development Agreement dated _____ (the “Agreement”), between GradumGswing Franchising, LLC, a Florida Limited Liability Company (“Franchisor”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Illinois Act” means the Illinois Franchise Disclosure Act of 1987.

2. Governing Law and Jurisdiction. Notwithstanding any provision of the Agreement to the contrary, the Agreement is governed by Illinois law. The parties irrevocably submit to the jurisdiction and venue of the federal and state courts in Illinois, except for matters which the Agreement provides will be resolved by arbitration.

3. Limitation of Claims. No action can be maintained to enforce any liability created by the Illinois Act unless brought before the expiration of 3 years from the act or transaction constituting the violation upon which it is based, the expiration of 1 year after Franchisee become aware of facts or circumstances reasonably indicating that Franchisee may have a claim for relief in respect to conduct governed by the Illinois Act, or 90 days after delivery to the Franchisee of a written notice disclosing the violation, whichever shall first expire.

4. Waivers Void. Notwithstanding any provision of the Agreement to the contrary, any condition, stipulation, or provision purporting to bind Franchisee to waive compliance with any provision of the Illinois Act or any other law of the State of Illinois is void. This Section shall not prevent Franchisee 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.

5. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:

GradumGswing Franchising, LLC

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

INDIANA RIDER TO FRANCHISE AND MULTI-TERRITORY DEVELOPMENT AGREEMENT

This Rider amends the Franchise and Multi-Territory Development Agreement dated _____ (the “Agreement”), between GradumGswing Franchising, LLC, a Florida Limited Liability Company, (“Franchisor”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Indiana Acts” means the Indiana Franchise Act and the Indiana Deceptive Franchise Practices Act.

2. Certain Provisions Modified. Any provision of the Agreement which would have any of the following effects is hereby modified to the extent required for the Agreement to be in compliance with the Indiana Acts:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor. However, the publication by the franchisor of a list of approved suppliers of goods, supplies, inventories, or services or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor does not constitute designation of a source nor does a reasonable right of the franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the franchisor.

(2) Allowing the franchisor to establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the exclusive territory granted the franchisee by the franchise agreement; or, if no exclusive territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area.

(3) Allowing substantial modification of the franchise agreement by the franchisor without the consent in writing of the franchisee.

(4) Allowing the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

(5) Requiring the franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by the Indiana Deceptive Franchise Practices Act or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This subsection (5) does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an official price increase

notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subsection (6).

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subsection (7) includes any material violation of the franchise agreement.

(8) Permitting the franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the franchisee meets certain conditions specified in the agreement.

(9) Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three years or in an area greater than the exclusive area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring the franchisee to participate in any (A) advertising campaign or contest; (B) promotional campaign; (C) promotional materials; or (D) display decorations or materials; at an expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:

FRANCHISEE:

GradumGswing Franchising, LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

MARYLAND RIDER TO FRANCHISE AGREEMENT AND MULTI-TERRITORY DEVELOPMENT AGREEMENT

This Rider amends the Franchise and Multi-Territory Development Agreement dated _____ (the “Agreement”), between GradumGswing Franchising, LLC, a Florida Limited Liability Company (“Franchisor”) and _____, a _____ (“Franchisee”).

- 1. Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Maryland Franchise Law” means the Maryland Franchise Registration and Disclosure Law, Business Regulation Article, §14-206, Annotated Code of Maryland.
- 2. Releases, Estoppels and Waivers of Liability.** All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Law.
- 3. Statute of Limitations.** Any provision of the Agreement which provides for a period of limitations for causes of action shall not apply to causes of action under the Maryland Franchise Law, Business Regulation Article, §14-227, Annotated Code of Maryland. Franchisee must bring an action under such law within three years after the grant of the franchise.
- 4. Jurisdiction.** Franchisee does not waive its right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.
- 5. Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:

GradumGswing Franchising, LLC

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

MINNESOTA RIDER TO FRANCHISE AND MULTI-TERRITORY DEVELOPMENT AGREEMENT

This Rider amends the Franchise and Multi-Territory Development Agreement dated _____ (the “Agreement”), between GradumGswing Franchising, LLC, a Florida Limited Liability Company, (“Franchisor”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Minnesota Act” means Minnesota Statutes, Sections 80C.01 to 80C.22.

2. Amendments. The Agreement is amended to comply with the following:

Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

The franchisor will protect the franchisee’s rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee’s right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, and therefore the applicable provision of the Agreement is amended to state “No action may be commenced pursuant to Minnesota Statutes, Section 80C.17 more than three years after the cause of action accrues.”

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:

GradumGswing Franchising, LLC

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

NEW YORK RIDER TO FRANCHISE AND MULTI-TERRITORY DEVELOPMENT AGREEMENT

This Rider amends the Franchise and Multi-Territory Development Agreement dated _____ (the “Agreement”), between GradumGswing Franchising, LLC, a Florida Limited Liability Company (“Franchisor”) and _____, a _____ (“Franchisee”).

1. **Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.
2. **Waivers Not Required.** Notwithstanding any provision of the Agreement to the contrary, Franchisee is not required to assent to a release, assignment, novation, waiver or estoppel which would relieve Franchisor or any other person from any duty or liability imposed by New York General Business Law, Article 33.
3. **Waivers of New York Law Deleted.** Any condition, stipulation, or provision in the Agreement purporting to bind Franchisee to waive compliance by Franchisor with any provision of New York General Business Law, or any rule promulgated thereunder, is hereby deleted.
4. **Governing Law.** Notwithstanding any provision of the Agreement to the contrary, the New York Franchises Law shall govern any claim arising under that law.
5. **Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:

FRANCHISEE:

GradumGswing Franchising, LLC

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

NORTH DAKOTA RIDER TO FRANCHISE AND MULTI-TERRITORY DEVELOPMENT AGREEMENT

This Rider amends the Franchise and Multi-Territory Development Agreement dated _____ (the “Agreement”), between GradumGswing Franchising, LLC, a Florida Limited Liability Company (“Franchisor”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Amendments. The Agreement (and any Guaranty Agreement) is amended to comply with the following:

- (1) Restrictive Covenants: Every contract by which Franchisee, any Guarantor, or any other person is restrained from exercising a lawful profession, trade, or business of any kind is subject to NDCC Section 9-08-06.
- (2) Situs of Arbitration Proceedings: Franchisee and any Guarantor are not required to agree to the arbitration of disputes at a location that is remote from the site of Franchisee’s business.
- (3) Restrictions on Forum: Franchisee and any Guarantor are not required to consent to the jurisdiction of courts outside of North Dakota.
- (4) Liquidated Damages and Termination Penalties: Franchisee is not required to consent to liquidated damages or termination penalties.
- (5) Applicable Laws: The Agreement (and any Guaranty Agreement) is governed by the laws of the State of North Dakota.
- (6) Waiver of Trial by Jury: Franchisee and any Guarantor do not waive a trial by jury.
- (7) Waiver of Exemplary and Punitive Damages: The parties do not waive exemplary and punitive damages.
- (8) General Release: Franchisee and any Guarantor are not required to sign a general release upon renewal of the Agreement.
- (9) Limitation of Claims: Franchisee is not required to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
- (10) Enforcement of Agreement: The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney’s fees.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:

GradumGswing Franchising, LLC

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

RHODE ISLAND RIDER TO FRANCHISE AND MULTI-TERRITORY DEVELOPMENT AGREEMENT

This Rider amends the Franchise and Multi-Territory Development Agreement dated _____ (the “Agreement”), between GradumGswing Franchising, LLC, a Florida Limited Liability Company (“Franchisor”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Jurisdiction and Venue. Any provision of the Agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under Rhode Island Franchise Investment Act.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:

FRANCHISEE:

GradumGswing Franchising, LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT
AND
RIDER TO FRANCHISE AND MULTI-TERRITORY DEVELOPMENT AGREEMENT**

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.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

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 limitation 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.

Agreed to by:

FRANCHISOR:

FRANCHISEE:

GradumGswing Franchising, LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

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, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

None at this time.

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.

RECEIPT

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

If GradumGswing 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. New York requires that you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

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

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

Name	Principal Business Address	Telephone Number
<u>Carlos Garmendia</u>	7872 SW Jack James Drive, Unit 4, Stuart, Florida 34997	888-947-2386
<u>William "Bill" Pfaffmann</u>	7872 SW Jack James Drive, Unit 4, Stuart, Florida 34997	888-947-2386

Any additional franchise sellers involved in offering and selling the franchise to you are listed below (with address and telephone number), or will be provided to you separately before you sign a franchise agreement and listed below: _____

Issuance Date: November 15, 2024

I received a disclosure document dated November 15, 2024, that included the following Exhibits:

- A. State Administrators and Agents for Service of Process
- B. Franchise Agreement (with Exhibits)
- C. Multi-Territory Development Agreement
- D. Form of General Release
- E. Financial Statements
- F. Operations Manual Table of Contents
- G. Current and Former Franchisees
- H. Addenda to Disclosure Document
- I. State Addenda to Agreements

Signature: _____

Print Name: _____

Date Received: _____

Keep This Copy For Your Records

RECEIPT

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

If GradumGswing 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. New York requires that you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

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

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- F. Operations Manual Table of Contents
- G. Current and Former Franchisees
- H. State Addenda to Disclosure Document
- I. State Addenda to Agreements

Signature: _____

Print Name: _____

Date Received: _____

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