

FRANCHISE DISCLOSURE DOCUMENT



PUTT-PUTT, LLC
1414 Raleigh Road, Suite 410
Chapel Hill, North Carolina 27517
Tel: 866-788-8788
Email: info@putt-putt.com
Website: www.putt-putt.com

Putt-Putt, LLC (“PPLLC”) offers franchises for recreational centers that operate licensed attractions under the PUTT-PUTT® mark and other marks specified by PPLLC.

Level One (Miniature golf):

The total investment necessary to begin operation of a Putt-Putt Level One Franchise (which includes the miniature golf attraction) ranges from \$420,000 to \$975,000. These amounts do not include building construction and real estate costs. This includes \$20,000 that must be paid to the franchisor or affiliate.

Level Two (Miniature golf and a video and prize game attraction):

The total investment necessary to begin operation of a Putt-Putt Level Two Franchise (which includes miniature golf and a video and prize game attraction) ranges from \$1,015,000 to \$2,220,000. These amounts do not include building construction and real estate costs. This includes \$30,000 that must be paid to the franchisor or affiliate.

Level Three (Miniature golf, a video and prize game attraction, and one or more other licensed attractions):

The total investment necessary to begin operation of a Putt-Putt Level Three Franchise (which includes miniature golf, a video and prize game attraction, and one or more other licensed attractions) ranges from \$2,450,000 to \$5,380,000. These amounts do not include building construction and real estate costs. This includes \$50,000 that must be paid to the franchisor or affiliate.

This Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 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 or grant. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact Teresa Greco at 1414 Raleigh Road, Suite 410, Chapel Hill, North Carolina 27517, (866) 788-8788.

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: April 24, 2025

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Exhibit E.
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?	Exhibit C 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 Putt-Putt 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 Putt-Putt franchisee?	Exhibits E and F 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 D.

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

Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in North Carolina. 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 North Carolina than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the Franchisor, its affiliates, or suppliers that the Franchisor designates at prices the Franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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

TABLE OF CONTENTS

	<u>Page</u>
ITEM 1	THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES... 2
ITEM 2	BUSINESS EXPERIENCE 3
ITEM 3	LITIGATION..... 4
ITEM 4	BANKRUPTCY 4
ITEM 5	INITIAL FEES 4
ITEM 6	OTHER FEES..... 5
ITEM 7	ESTIMATED INITIAL INVESTMENT..... 7
ITEM 8	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES 12
ITEM 9	FRANCHISEE’S OBLIGATIONS 16
ITEM 10	FINANCING 16
ITEM 11	FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING 17
ITEM 12	TERRITORY 20
ITEM 13	TRADEMARKS..... 22
ITEM 14	PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION 24
ITEM 15	OBLIGATION OF THE FRANCHISEE TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS 26
ITEM 16	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL 27
ITEM 17	RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION..... 28
ITEM 18	PUBLIC FIGURES..... 31
ITEM 19	FINANCIAL PERFORMANCE REPRESENTATIONS 31
ITEM 20	OUTLETS AND FRANCHISEE INFORMATION..... 32
ITEM 21	FINANCIAL STATEMENTS..... 35
ITEM 22	CONTRACTS..... 35
ITEM 23	RECEIPT 35

Exhibits

A	Franchise Agreement and State-Required Addenda Schedule 1- General Information Schedule 2- Marks Schedule 3- Putting Course Design Schedule 4- General Release and Addendum to the Franchise Agreement
B	Additional State-Required Disclosures
C	Financial Statements
D	List of State Administrators and Agents for Service of Process
E	List of Franchisees
F	List of Former Franchisees
G	State Effective Dates
H	Receipts

ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this Disclosure Document, “PPLLC,” “we,” “us,” or “our” refers to Putt-Putt, LLC, the franchisor. “You” or “your” refers to the person or entity who buys a franchise.

Putt-Putt, LLC is a North Carolina limited liability company formed on December 7, 2004 previously known as PPC Investments LLC. Our principal place of business is located at 1414 Raleigh Road, Suite 410, Chapel Hill, North Carolina 27517. Our agents for service of process are listed on **Exhibit D** to this Disclosure Document. PPLLC does business under the names “Putt-Putt, LLC” and “Putt-Putt”.

Background, Predecessors and Affiliates. Mr. Don Clayton, doing business under the name “Clayton and Associates”, began operating and franchising Putt-Putt Golf Courses® in North Carolina in 1954. We have offered Putt-Putt franchises since our inception in December 2004.

Putt-Putt Marketing, Inc., a corporation formed in North Carolina on April 8, 1959 under the name “Putt-Putt National Tournaments, Inc.,” is our only affiliate (“PPM”). PPM was originally formed to sponsor professional miniature golf tournaments throughout the United States. In 2002, Putt-Putt National Tournaments, Inc. changed its legal name to “Putt-Putt Marketing, Inc.” PPM administers the advertising funds paid by franchisees. Its principal office is located at 1414 Raleigh Road, Suite 410, Chapel Hill, North Carolina 27517.

Except as described above, PPLLC and PPM have not and do not engage in any other business activities and have not offered franchises in this or in any other line of business.

The Franchises. We offer franchises (individually, a “**Putt-Putt Franchise**” and, collectively, “**Putt-Putt Franchises**”) for the establishment and operation of recreational centers that operate licensed attractions under the PUTT-PUTT® mark and other marks (the “**Marks**”) specified in the Franchise Agreement, the form of which is attached as **Exhibit A** (the “**Franchise Agreement**”).

We currently offer the following types of Putt-Putt Franchises to prospective franchisees (1) a Level One Franchise, which includes the miniature golf attraction only; (2) a Level Two Franchise, which includes miniature golf and a video and prize game attraction; and (3) a Level Three Franchise, which includes miniature golf, a video and prize game attraction, and one or more other licensed attractions. We require all franchisees to operate primarily under the Putt-Putt Fun Center® Mark, unless otherwise agreed.

Below is a description of the recreational attractions that may be licensed to you (“Licensed Attractions”) under the Franchise Agreement, depending upon the specific type of Putt-Putt Franchise that you purchase, as well as the site you select and zoning restrictions:

- ☐ The miniature golf attraction provides miniature putting courses designed for competition and entertainment.
- ☐ The bumper boats attraction features inflatable motorized boats for one or more passengers. The attraction is an action boat ride that allows participants to bump and collide on the water’s surface.
- ☐ The bumper car attraction features bumper cars, which allow participants to bump and collide with other participants’ cars.
- ☐ The go-kart attraction features scale-model motorized cars driven on a concrete or asphalt track. The track is designed with curves and banked corners to provide a realistic race car feel.

- ☐ The batting cage attraction allows participants to hit softballs and baseballs pitched at various speeds from an automatic pitching machine. The batting cage consists of a netted area large enough to provide for a realistic feel for hitting the ball.
- ☐ The laser tag attraction allows participants, as individuals or teams, to utilize laser lighted gun equipment.
- ☐ The video and prize games attraction includes coin operated, RFID and debit card enabled prize and video game machines, pinball machines, virtual and augmented reality games/experiences and similar amusement devices.
- ☐ Obstacle and rope courses.
- ☐ Escape rooms.
- ☐ Artificial climbing walls.
- ☐ Bowling, including standard bowling, mini-bowling and duckpin bowling.

In addition, we may periodically authorize other attractions that may be offered at your Putt-Putt Franchise. You must obtain our written agreement to offer such attractions and we may charge you an additional Franchise Fee.

Market and Competition. You will offer attractions to the general public. The game and recreational services industry is highly competitive. Your competitors include other facilities that offer game and recreational attractions to the general public, including among others, independently operated video arcades, miniature golf courses and other facilities that offer similar attractions. The success of your Putt-Putt Franchise will depend in large measure on the specific site you select. Putt-Putt Franchises may be operated year-round; however, sales typically increase when the weather is suitable for outside activities.

Regulations. Your business may be subject to various federal, state, and local laws and regulations, including those that (i) establish general standards, specifications, and requirements for the construction, design, and maintenance of restaurant premises, (ii) regulate matters affecting the health, safety, and welfare of your customers, such as general health and sanitation requirements for restaurants, employee practices concerning the storage, handling, cooking, and preparation of food and beverages, restrictions on smoking, availability of and requirements for public accommodations, including restrooms, (iii) establish menu disclosure standards, and (iv) regulate the proper use, storage, and disposal of waste materials.

Further, the Licensed Attractions may be subject to various federal, state, and local laws and regulations, including certain license requirements for certain types of gaming machines. Other laws and regulations for Licensed Attractions may require or limit certain attraction buildouts. You should investigate the application of these laws further.

ITEM 2 BUSINESS EXPERIENCE

Manager, President and Chief Executive Officer: David M. Callahan

Mr. Callahan has been our President, Chief Executive Officer, and sole Manager since December 2004. Mr. Callahan is currently the Manager and Member of franchisee Millstone Partners, LLC in Fayetteville, North Carolina, a position he has held since 2010. He is currently the Manager and sole Member of franchisee Putt-Putt of Lynchburg, LLC in Lynchburg, Virginia, a position he has held since May 2014. He is currently located in our offices in Chapel Hill, North Carolina.

Chief Operating Officer: Teresa Greco

Ms. Greco has been our Chief Operating Officer since 2017. She is currently located in our offices in Chapel Hill, North Carolina.

**ITEM 3
LITIGATION**

Litigation against Franchisees in the Last Fiscal Year

During the fiscal year ending December 31, 2024, we initiated the following lawsuits against Franchisees:

Suits to Enforce System Standards & Collect Royalties

Putt-Putt, LLC v. Putt-Putt Golf Courses of Richmond, Inc., Gary Claude Hinshaw and Patricia W. Hinshaw, Case No. 3:24-cv-00666 (E.D. Va. 2024).

Other than the foregoing, no litigation is required to be disclosed in this Item.

**ITEM 4
BANKRUPTCY**

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

**ITEM 5
INITIAL FEES**

Concurrently with your execution of the Franchise Agreement, you must pay PPLLC an initial franchise fee (the “**Initial Franchise Fee**”) as follows: (a) for a Level One Franchise, the Initial Franchise Fee is \$20,000; (b) for a Level Two Franchise, the Initial Franchise Fee is \$30,000; and (c) for a Level Three Franchise, the Initial Franchise Fee is \$50,000.

The Initial Franchise Fee is not refundable. The criterion for determining the Initial Franchise Fee is uniform to all franchisees.

[remainder of page left intentionally blank]

**ITEM 6
OTHER FEES**

NAME OF FEE⁽¹⁾	AMOUNT	DUE DATE	REMARKS
Royalty Fee	5% of your Gross Receipts	Payable to us weekly	See Note 2 for the definition of Gross Receipts.
Marketing Fee	1% of your Gross Receipts	Payable to PPM weekly	See Note 2 for the definition of Gross Receipts. PPM pays 40% of its gross revenue from Marketing Fees to PPLLC as a fee for management of PPM
Local Advertising Requirement	Up to 5% of your Gross Receipts	Throughout each year	We may require that you spend up to 5% of your Gross Receipts on local advertising. Payable to us or suppliers or vendors for local advertising. See Note 2 for the definition of Gross Receipts.
Additional Site Inspections	Our reasonable expenses incurred in evaluating your proposed site plus \$300 per day for each of our employees or agents evaluating a site and their travel, lodging, and meal expenses	Upon demand	Payable if you/we determine it is necessary to perform more than one on-site evaluation of sites that you propose. Our first on-site evaluation is free of charge.
Insurance	Cost of the premium plus a reasonable fee for our services in procuring the insurance	Upon demand	Payable only if you fail to maintain the minimum insurance we require and we choose to procure the required insurance for you.
Transfer Fee	Transfer Fee then-being charged by us (currently no more than \$10,000)	Upon execution of the new Franchise Agreement	Payable to us by the assignee only upon transfer of the Franchise.
Indemnification	All losses and liabilities we incur resulting from the operation of your Putt-Putt Franchise.	Upon demand	Payable to us if we incur losses due to your activities under the Franchise Agreement.
Late Fee (Monetary) and Interest	18% per annum or maximum interest rate allowed by law (whichever is less) from due date to date of payment, plus \$100 per late payment	With payment of amount owed	Required whenever a payment to us is made after its due date. Late payment fee is subject to increase upon 60 days prior written notice
Late Fee (Reporting)	\$25 per late report	Upon demand	Required whenever a required report is not timely filed. Subject to increase upon 60 days prior written notice.
Renewal Fee	Renewal fee then-being charged by us (currently no more than \$10,000)	Upon renewal	

NAME OF FEE ⁽¹⁾	AMOUNT	DUE DATE	REMARKS
Additional Fees	Amount equal to all fees, assessments, charges and taxes (not including income taxes) imposed upon us by reason of the Franchise Agreement	Upon demand	
Audit	Cost of audit, including travel and living expenses, plus interest on the amount of the under-payment at an annual rate of the lesser of 18% or the maximum interest rate permitted by law	Upon demand	Payable if audit or review shows an understatement of 2% or more of your Gross Receipts for any period.
Enforcement Expenses	Costs that we incur, including reasonable attorney's fees, enforcing any provision of the Franchise Agreement	Upon demand	Payable to us only if you fail to comply with the Franchise Agreement.
Additional Training Materials	Our reasonable shipping and duplication charges	Upon demand	Payable to us if we provide you with additional training materials.
Liquidated Damages	60 times the average monthly Royalty Fee during the 36 months immediately prior to the termination	Upon demand	Upon termination of the Franchise Agreement prior to the expiration of the term, unless you terminate for cause under Section 17(f) of the Franchise Agreement.
Management Fee	To be negotiated	As specified	Payable to us or our affiliates if we agree to manage your Center. We may offer you the opportunity to enter into an agreement in which we or our affiliate will manage your Center.

NOTES

1. All of the fees in the table above are non-refundable and are uniformly imposed. You must use the payment methods we designate. You must furnish us and your bank with any necessary authorizations to make payment by the methods we require.
2. **“Gross Receipts”** means the total monies received from the operation of your Putt-Putt Franchise, including, among others, receipts from all ticket sales and other receipts, fees and charges of any nature for use of the attractions, the amusement machines, recreational and sporting equipment, and/or amusement devices located at the Franchise, the sale of food or drink products or other items sold from concession units, or products or services otherwise sold at the Franchise; Gross Receipts also include total gross arcade game revenue (per machine) prior to any rev-share splits; and Gross Receipts includes monies received from birthday party and/or other group business which uses the Franchise at a special rate, less applicable sales taxes which are required by law to be paid, and are paid, over directly to a governmental authority. The total of the Gross Receipts is not to be reduced by amounts expended for the purchase, lease, payment of commissions and/or maintenance of amusement machines, recreational and sporting equipment, and/or amusement devices, nor for any operating costs or any other expenses incurred by you.

ITEM 7
ESTIMATED INITIAL INVESTMENT

Level One-Miniature Golf

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is to Be Made
	Low	High			
Initial Franchise Fee ¹	\$20,000	\$20,000	Lump sum	At signing of Franchise Agreement	Us
Miniature Golf Course ²	\$175,000	\$550,000	As incurred	As incurred	Approved contractors & vendors
Concessions ⁹	\$35,000	\$65,000	As incurred	As incurred	Approved contractors & vendors
Design Costs ¹⁰	\$15,000	\$50,000	As incurred	As incurred	Approved designers
Site Evaluation ¹¹	\$0	\$5,000	As incurred	As incurred	Us
Real Estate ¹²	No adequate estimate available	No adequate estimate available	As incurred	As incurred	Seller or landlord
Point of Sale hardware/software , Office computers/equipment, and General Supplies ¹³	\$50,000	\$75,000	As incurred	As incurred	Approved vendor
Initial Training ¹⁴	\$5,000	\$10,000	As incurred	Before opening	Vendors of travel, food and lodging services
Insurance ¹⁵	\$20,000	\$50,000	As incurred	Before opening	Third parties
Additional Funds – 3 months ¹⁶	\$100,000	\$150,000	As incurred	As incurred	Employee salaries, suppliers, insurers, utilities, etc.
TOTAL (excluding real estate costs)¹⁷	\$420,000	\$975,000			

[remainder of page left intentionally blank]

Level Two-Miniature Golf and a Video and Prize Game Attraction

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is to Be Made
	Low	High			
Initial Franchise Fee ¹	\$30,000	\$30,000	Lump sum	At signing of Franchise Agreement	Us
Miniature Golf Course ²	\$175,000	\$550,000	As incurred	As incurred	Approved contractors & vendors
Video/Arcade & Prize Game Room ⁸	\$500,000	\$1,000,000	As incurred	As incurred	Approved contractors & vendors
Concessions ⁹	\$35,000	\$100,000	As incurred	As incurred	Approved contractors & vendors
Design Costs ¹⁰	\$15,000	\$50,000	As incurred	As incurred	Approved designers
Site Evaluation ¹¹	\$0	\$5,000	As incurred	As incurred	Us
Real Estate ¹²	No adequate estimate available	No adequate estimate available	As incurred	As incurred	Seller or landlord
Point of Sale hardware/software, Office computers/equipment, and General Supplies ¹³	\$75,000	\$150,000	As incurred	As incurred	Approved vendor
Initial Training ¹⁴	\$5,000	\$10,000	As incurred	Before opening	Vendors of travel, food and lodging services
Insurance ¹⁵	\$30,000	\$75,000	As incurred	Before opening	Third parties
Additional Funds – 3 months ¹⁶	\$150,000	\$250,000	As incurred	As incurred	Employee salaries, suppliers, insurers, utilities, etc.
TOTAL (excluding real estate costs)¹⁷	\$1,015,000	\$2,220,000			

[remainder of page left intentionally blank]

Level Three-Miniature Golf, a Video and Prize Game Attraction, and one or more other licensed attractions

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is to Be Made
	Low	High			
Initial Franchise Fee ¹	\$50,000	\$50,000	Lump sum	At signing of Franchise Agreement	Us
Miniature Golf Course ²	\$175,000	\$550,000	As incurred	As incurred	Approved contractors & vendors
Bumper Boats ³	\$150,000	\$360,000	As incurred	As incurred	Approved contractors & vendors
Go-Karts ⁴	\$455,000	\$750,000	As incurred	As incurred	Approved contractors & vendors
Laser Tag ⁵	\$250,000	\$325,000	As incurred	As incurred	Approved contractors & vendors
Batting Cages ⁶	\$185,000	\$290,000	As incurred	As incurred	Approved contractors & vendors
Bumper Cars ⁷	\$95,000	\$200,000	As incurred	As incurred	Approved contractors & vendors
Video/Arcade & Prize Game Room ⁸	\$500,000	\$1,250,000	As incurred	As incurred	Approved contractors & vendors
Concessions ⁹	\$35,000	\$100,000	As incurred	As incurred	Approved contractors & vendors
Design Costs ¹⁰	\$50,000	\$150,000	As incurred	As incurred	Approved designers
Site Evaluation ¹¹	\$0	\$5,000	As incurred	As incurred	Us
Real Estate ¹²	No adequate estimate available	No adequate estimate available	As incurred	As incurred	Seller or landlord
Point of Sale hardware/software , Office computers/equipment, and General Supplies ¹³	\$150,000	\$250,000	As incurred	As incurred	Approved vendor
Initial Training ¹⁴	\$5,000	\$10,000	As incurred	Before opening	Vendors of travel, food and lodging services
Insurance ¹⁵	\$50,000	\$90,000	As incurred	Before opening	Third parties

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is to Be Made
	Low	High			
Additional Funds – 3 months ¹⁶	\$300,000	\$1,000,000	As incurred	As incurred	Employee salaries, suppliers, insurers, utilities, etc.
TOTAL (excluding real estate costs)¹⁷	\$2,450,000	\$5,380,000			

NOTES APPLICABLE TO ALL TABLES:

1. The Initial Franchise Fee is not refundable. We do not offer financing to our franchisees for any portion of the initial investment.
2. This estimate includes amounts needed to construct and provide initial inventory for either an 18 hole or 36-hole miniature golf course. We estimate that you will spend between \$175,000 and \$250,000 if you build an 18-hole miniature golf course and between \$300,000 and \$550,000 if you build a 36-hole or larger miniature golf course. Inventory needed for operating a miniature golf course includes putters, golf balls, golf club racks and other miscellaneous materials and equipment. We estimate that your inventory costs will range between \$8,000 and \$35,000 for an 18-hole course and between \$10,000 and \$50,000 for a 36-hole or larger golf course.
3. This estimate includes amounts needed to construct and provide initial inventory for a bumper boats attraction. A bumper boats attraction requires boats, tubes, engines, engine repair equipment, charging stations, pumps, a filtration system, storage area, safety equipment and other miscellaneous equipment.
4. This estimate includes amounts needed to construct and provide initial inventory for a go-karts attraction. A go-karts attraction may require cars, parts, engines, tires, fuel tanks, charging stations, safety equipment, and other miscellaneous equipment. This estimate does not include amounts needed to construct and provide initial inventory for a go-kart pit building, repair shop, and parts inventory.
5. This estimate includes amounts needed to construct and provide initial inventory for a laser tag attraction. A laser tag attraction requires laser guns and targets and other miscellaneous equipment.
6. This estimate includes amounts needed to construct and provide initial inventory for a batting cages attraction. A batting cages attraction requires pitching machines, baseballs, softballs, bats, helmets and other miscellaneous equipment.
7. This estimate includes amounts needed to construct and provide initial inventory for a bumper cars attraction. A bumper car attraction requires bumper cars, charging stations, and other miscellaneous equipment.
8. This estimate includes the cost of the video and amusement machines only. The cost of each video and amusement machine varies from a low of \$3,000 to a high of \$50,000, with the average cost of a machine being approximately \$14,000. The average number of video and amusement machines needed to adequately equip an amusement arcade is one game per every 65 square feet of space. For example, a 3,250 square feet amusement arcade generally has 50 games. This estimate does

not include amounts needed to construct and provide initial inventory for a video/arcade and prize game room, restrooms, party rooms, employee breakroom, necessary storage and an office.

9. This estimate includes amounts needed to construct and provide initial inventory for concessions.
10. You must, at your cost and expense, use an approved architect or other contractor to develop the architectural plans, specifications and/or blueprints for the construction of your Putt-Putt Franchise. You must submit the plans, specifications and/or blueprints developed for your Putt-Putt Franchise to us for final written approval prior to permitting and construction. While we believe our range estimates are reasonable, over the past two years, we have observed a rise in design and construction costs between 10% to 30% per year due to various economic factors as well as high market volatility in certain urban, remote, and rapid growth markets due to high demand and limited resources.
11. If a site evaluation is requested, we will provide one site evaluation at no cost. Should additional site evaluations be requested, you are responsible for reimbursing us for each additional on-site evaluations, including all reasonable costs and expenses incurred by us in relation to each such additional evaluation, including without limitation the cost of travel, lodging and meals for our employees and agents. In addition, you must pay us a fee of \$300 per day for each employee or agent of PPLLC that performs such additional evaluation services. If you have not executed a Franchise Agreement and request a site consultation and we grant your request, then you must pay the costs and expenses incurred by us in relation to such site consultation, and such costs and expenses shall be credited toward your payment of the Initial Franchise Fee if they are incurred within one year prior to your signing the Franchise Agreement. See Item 11 for more information.
12. We estimate that the total square amount of space needed to construct and operate a Putt-Putt Fun Center® is between 3.5 and 4 acres. The actual size of the real property you will need will vary depending on which attractions you will offer at your Putt-Putt Franchise. Further, due to the estimated space needed, the probable location of the real estate will be rural or suburban. We do not possess enough information to provide an estimate here because over the past two years we have observed a rise in real estate prices due to various economic factors as well as high market demand and limited supply in certain urban, remote, and rapid growth markets.
13. All facilities must utilize an approved point-of-sale and game management software vendor, such as CenterEdge Software, Helix Leisure, Inc, or other similar vendor.
14. We do not charge for initial training; however, you are responsible for all costs incurred by you or your personnel during training, including travel, food, lodging and any other expenses. These estimates include estimated costs for two people to attend the initial training program.
15. This estimate is for the cost of one year of insurance premiums based on our minimum insurance requirements. You will need to check with your insurance carrier for actual premium quotes and costs and to determine whether the premiums may be paid in installments. The cost of coverage will vary based upon the area in which your business will be located, your experience with the insurance carrier, the loss experience of the carrier, the amount of deductibles and of coverage, and other factors beyond our control. You should also check with your insurance agent or broker regarding any additional insurance that you may wish to carry above our required minimums.
16. The average time required to supply your Putt-Putt Franchise and train your staff is 60 days. The figures above are our best estimates for covering your ongoing expenses for approximately 90 days. Your costs will vary depending on how rapidly your business grows, how well you follow the

system, your management abilities, your experience and business skills, local economic conditions, the local market for the services of your Putt-Putt facility, prevailing wage rates, competition and the revenues generated during the initial period.

17. We relied on our predecessor's and affiliates' more than 65 years of experience in the franchise business to compile these estimates. You should review these figures carefully with a business adviser before making any decision about purchasing a Putt-Putt Franchise. Your total cost of constructing and opening a Putt-Putt Fun Center® may fluctuate according to several variables, including zoning, size and type of attractions included, landscaping desired, labor and other contractor costs, and the business capabilities of your management and employees. Many of these costs are determined only when you obtain a bid from your contractor. The total figures do not include costs for real estate. Unless otherwise noted, all payments to us or our affiliates are non-refundable. Amounts paid to a third party may be refundable, depending upon the contracts, if any, between you and the third party.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

As described in greater detail below, you must purchase or lease virtually all goods and services necessary to establish and operate your Putt-Putt Franchise from us or our designees, from suppliers approved by us and according to our specifications. We believe that these requirements are necessary for the continued public acceptance of the Putt-Putt system, and to maintain your Putt-Putt Franchise at the highest degree of safety, cleanliness, and operational efficiency.

The Goods or Services Required to be Purchased or Leased:

Advertising and Marketing

You must use advertising material from us, a vendor that we designate, or we must approve the advertising in writing, prior to its use.

Amusement Products and Attractions

You must purchase all amusement products and attractions from a vendor that we designate or subject to our specifications.

Computers and Software

You must purchase computer hardware and software designated by us. You will set up, maintain and utilize e-mail capability with an e-mail service designated by us for the purposes of receiving electronic correspondence from us, other franchisees and your customers.

Furniture, Fixtures, and Equipment

You must purchase furniture, fixtures, and equipment from a vendor that we designate or subject to our specifications.

Inventory and Supplies

All printed materials, such as scorecards, golf pencils, in-store signage, marketing items, and clothing, must

display the Putt-Putt logo and name. We must approve in writing any and all use of the Marks. Certain inventory items such as prize redemption systems, clothing, advertising and promotional materials are required to be purchased from one of our approved suppliers.

Insurance

Franchisee shall obtain, at its sole cost and expense, prior to opening the Franchise, and shall maintain in full force during the term of this Agreement, a policy or policies of insurance providing the coverage required below. Franchisee shall be the primary insured and the policy must state that Franchisee is the primary insured. Such policy or policies shall be written by an insurance company or companies having at least an A Rating and Franchisor and its officers, directors, employees, agents, and shareholders shall be additional named insureds in all such liability policies. The fire and public liability insurance set forth below shall be procured prior to commencement of the construction of the Franchise. All policies of insurance shall be on an occurrence basis when possible, subject to no deductibles and properly endorsed to cover the contractual and indemnity obligations of Franchisee under this Agreement.

(1) Fire and Extended Coverage Property Liability Insurance with a \$1,000,000 coverage, and \$75,000 for contents, or an amount not less than full replacement value of the Franchise.

(2) Business Interruption coverage with minimum coverage of not less than \$75,000. If insurance proceeds are paid to Franchisee for a business interruption, that amount shall be included in gross receipts upon which a Royalty Fee and other fees shall be paid as herein provided.

(3) Workers' Compensation, as well as such other insurance, and in such amounts as may be required by statute or rule of the state in which the Franchise is located.

(4) Comprehensive General Public Liability Insurance, including products liability coverage with a combination of primary and excess limits of not less than \$2,000,000 per occurrence.

(5) Automobile Liability Insurance, including coverage for vehicles not owned by Franchisee but used by employees in connection with the Franchise, with a combination of primary and excess limits of not less than \$1,000,000.

Lease of Franchise Premises

If you lease the premises for your Putt-Putt Franchise, you must submit the proposed lease to us for approval within 30 days after the date of the Franchise Agreement. We will approve or disapprove the lease within 30 days after your submission. In addition, your lease must meet certain requirements provided in Section 6(e) of the Franchise Agreement.

Site Selection and Construction

You must select a site for your Putt-Putt Franchise within a specified geographic area that we approve in advance. Your Putt-Putt Franchise Location must be approved by us in advance. As of the date of this Disclosure Document, it is our policy that we will respond to all requests for site approval within 30 days from the date you submit a request to us for site approval and all other information regarding the site that we reasonably request from you. The criteria used by PPLLC to approve locations are: (1) population within a ten-mile drive of the site, (2) accessibility to major thoroughfares and traffic patterns, (3) income of the serviced area, (4) general aesthetics of property and adjoining businesses, (5) cost of land or cost of lease, and (6) the judgment and experience of the franchisee.

You must, at your expense, construct, furnish and equip the facility together with concession facilities (if permitted by law) at the site according to the hole designs and configurations and other preliminary plans and specifications furnished by us and using putting surface specifications and design materials specified by us. You must employ a qualified architect or contractor who is acceptable to us to conform the plans to the site at your cost. Before commencing construction, if so requested by us, you must submit for our approval final plans for construction based on the putting course designs and other preliminary plans and specifications. Any modification of such plans must be first approved by us in writing. You must also employ a qualified licensed general contractor who is acceptable to us to construct the Putt-Putt Franchise and to complete all improvements.

You must paint your Putt-Putt Franchise or any other equipment on your Putt-Putt Franchise premises in a color scheme specified by us. You also must purchase putting carpet, obstacles, and aluminum bump boards from a designated supplier.

You may not alter the structure or décor of your Putt-Putt Franchise without our prior written approval.

You may be required to renovate or remodel your Putt-Putt Franchise as directed by us, to conform to current designs for Putt-Putt Franchises; provided, however, that this requirement will not be imposed more often than once every five years.

Prior to opening for business, you must comply with all preopening requirements set forth in the Franchise Agreement, the Operations Manual and elsewhere in writing by us.

Signage

You must purchase signage according to our specifications.

Whether we or our Affiliates are Approved Suppliers:

We are currently an approved supplier of advertising material, but not the only approved supplier of such items.

Officer Interests in Suppliers:

Our officer, David Callahan, owns an interest in us.

Alternative Suppliers:

We do not maintain any formal criteria for approving suppliers; however, you must notify us of items which you may desire to purchase from a third-party source, and we make the determination whether the quality of such products meets its quality standards. For approval of third party-suppliers, you must submit a sample of the item to us and other requested documentation. The standard utilized by us to approve suppliers is whether the item is of substantially similar or better quality to the supplies produced or sold by currently approved vendors. We will generally notify you within 30 days after your request for approval as to whether the third-party source supplies are suitable for use at your Putt-Putt Franchise and if the item is disapproved, the reasons for such disapproval. You are not required to pay any fees to us in order to secure supplier approval.

Issuance and Modification of Specifications:

We issue specifications and standards to franchisees or approved suppliers through our Operations Manual or through informational bulletins we issue from time to time.

Revenue from Required Purchases:

In the year ending December 31, 2024, we earned revenues or other material consideration from required purchases or leases by franchisees was \$11,123, or 2% of our total revenues of \$471,144. These revenues stem from payments we receive from our approved suppliers for franchisee purchases which pay rebates to us ranging from 5% to 10%.

Our affiliate does not earn revenue or other material consideration from required franchisee purchases or leases.

Required Purchases as a Proportion of Costs:

We estimate that approximately 50% of your expenditures for leases and purchases in establishing your Franchised Business will be for goods and services that must be purchased from us, an Affiliate, an approved supplier, or from another party according to our standards and specifications. We estimate that approximately 50-70% of your expenditures on an ongoing basis will be for goods and services that must be purchased either from us, an Affiliate, an approved supplier or another party according to our standards and specifications.

Supplier Payments to Us:

Designated suppliers may make payments to us from franchisee purchases.

Our approved supplier of branded materials, equipment and products pays us 10% of all franchisee purchases. A second supplier of materials, attractions and attraction accessories pays us 10% on all proprietary attraction materials, 5% on new attractions and 8% on other attraction accessories.

Purchasing or Distribution Cooperatives:

At this time, we do not have any purchasing or distribution cooperatives.

Purchase Arrangements:

We negotiate purchase arrangements with suppliers, including price terms, for the benefit of our franchisees.

Material Benefits:

We do not provide material benefits to you based on your use of a particular supplier. However, when your franchise is up for renewal, to continue your franchise rights, we require you to be in compliance with your franchise agreement, which includes compliance with any supplier standards that are contained in our Operations Manual.

[remainder of page left intentionally blank]

ITEM 9 FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement. It will help you find more detailed information about your obligations in these agreements and in other items of this Disclosure Document.

FRANCHISEE'S OBLIGATIONS

Obligation	Section in Franchise Agreement	Disclosure Document Item
a) Site selection and acquisition/lease	Section 6	Items 7, 8 and 11
b) Pre-opening purchases/leases	Sections 6, 9(c), 9 and 14	Items 7, 8 and 11
c) Site development and other pre-opening requirements	Sections 6, 9(c), 9 and 14	Items 6, 7, 8 and 11
d) Initial and ongoing training	Section 8	Items 6 and 11
e) Opening	Section 6	Item 11
f) Fees	Sections 4(f), 11 and 13	Items 5 and 6
g) Compliance with standards and policies/Operations Manual	Sections 6, 9, 12 and 14	Items 11 and 16
h) Trademarks and proprietary information	Sections 5, 17(d) and 33	Items 13 and 14
i) Restrictions on products/services offered	Section 9	Items 8 and 16
j) Warranty and customer service requirements	Sections 6 and 9	Items 8 and 11
k) Territorial development and sales quotas	Section 2	Item 12
l) Ongoing product/service purchases	Sections 9 and 14	Items 8 and 11
m) Maintenance, appearance and remodeling requirements	Sections 5, 6 and 9	Items 8 and 11
n) Insurance	Section 14	Items 6 and 8
o) Advertising	Sections 11 and 13	Items 6, 11 and 13
p) Indemnification	Sections 21	Item 6
q) Owner's participation/management staffing	Sections 10, 16(c) and 33	Item 15
r) Records/reports	Section 12	Items 6 and 11
s) Inspections/audits	Sections 6(f) and 12	Item 11
t) Transfer	Section 20	Item 6 and 17
u) Renewal	Sections 4	Item 6 and 17
v) Post-termination obligations	Section 17	Item 17
w) Non-competition covenants	Section 16	Item 17
x) Dispute Resolution	Sections 25, 26, 27, 28, and 29	Item 17

ITEM 10 FINANCING

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

ITEM 11

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

Except as listed below, we are not required to provide you with any assistance. All section references below refer to sections in the Franchise Agreement.

Our Pre-Opening Obligations. Before you open your Putt-Putt Franchise:

1. We will provide site selection assistance and site evaluation(s), as we deem necessary and appropriate. We will provide you with putting course designs and other preliminary plans and specifications that you must use to construct your Franchise. We will evaluate your plans for the construction of your Putt-Putt Franchise. (Sections 6(a) and 6(b))
2. We may inspect your premises to monitor and observe construction. (Section 6(f)).
3. We will conduct our initial training program. (Section 8(a)) The current initial training program is described below.
4. We will provide you a list of our specifications and approved suppliers for equipment, signs, fixtures, opening inventory, and supplies necessary to open your business. (Sections 9(c) and 9(d)) We do not provide these items directly; we only provide the names of approved suppliers. We do not deliver or install these items.
5. We will loan you an Operations Manual. (Section 9(a))

Ongoing Assistance. During the operation of your Putt-Putt Franchise, we will:

1. Advise and consult with you regarding new developments, products, recreational businesses, marketing techniques and other improvements. (Section 7)
2. Provide additional training for your Operating Principal and General Manager. (Section 8(b)) Additional training is described below.
3. Provide you with a PPLLC staff member or designated representative to supervise during your first week of operation. (Section 8(c))
4. Evaluate and secure relationships with approved vendors that will be tasked with maintaining items which you may need to establish, maintain and renovate your Putt-Putt Franchise, and items which you may wish to stock and sell. We will also evaluate any supplier recommended by you. (Sections 9(c) and 9(d))
5. Administer the Marketing Fund. (Section 11(c))

Advertising and Promotions.

Putt-Putt's Advertising Program. All new franchisees are required to pay as a Marketing Fee 1% of their Gross Receipts to PPM or such other replacement marketing fund that we designate (the "**Marketing Fund**"). Affiliate-owned units must contribute to the Marketing Fund on the same basis. All franchisees do not contribute at the same rate. The Marketing Fund is used to maintain the brand website, franchisee portal, and other advertising. Neither we nor PPM are required to spend any amount on advertising within your area. The amounts collected by PPM are included in PPM's financial statements

as revenues. No amount of the Marketing Fee paid to PPM is utilized for directly promoting the sale of Putt-Putt Franchises. Marketing Fees collected but not spent during the current fiscal year are carried over to the following fiscal year. PPM administers the Marketing Fund and it is audited annually. A copy of the financial statements for PPM is available to our franchises upon written request.

Advertising may include print, radio and television commercials, billboard paper, videotapes, newspaper advertisements, posters, artwork, digital and social media channels, tournament literature, tournament schedules and promotional activities. Coverage of advertising may be local, national, or regional in scope. The source of advertising may be our or PPM's in-house advertising staff or an outside advertising agency.

There is no advertising council composed of franchisees that advises us on advertising policies.

During our fiscal year ending December 31, 2023, we spent the Advertising Fund as follows: 12% for production, 22% for media placement, 54% for Administrative Expenses and 12% on bank charges, legal services, taxes, and licenses. 0% of the Advertising Fund was spent on soliciting new franchisees.

We may require that you spend up to 5% of your Gross Receipts on local advertising promoting your Putt-Putt Franchise. For all advertising that you intend to use that has not been previously approved or provided by us, you must submit samples to us for review and approval if so requested by us. If we have requested submission of samples of advertising for prior review and approval, and written approval is not received by you within 30 days of the date of our receipt of such samples, such advertising will be deemed disapproved. You must follow all of our policies and procedures in the offer, promotion, and sale any products or services under the Marks through e-commerce. You are bound by any terms of use, privacy policy and copyright notice and takedown policies and the like that we establish from time to time. Any approval previously granted by us with respect to any advertising or the use of e-commerce may be revoked upon reasonable advance notice.

You are not required to participate in any local area advertising cooperative.

Computer Software and Hardware.

We have the right to require your purchase and use of computer systems, software, hardware and other technology (collectively, the “**Technology System**”) that we specify and to require that you purchase the Technology System from approved vendors.

Currently, we require that you have a point-of-sale system and a game management system for your Putt-Putt Franchise. You may select the point-of-sale system and game management system that you would like to use at your Putt-Putt Franchise, and we have the right to approve or disapprove of your selection prior to installation. The cost of these systems will depend on the system that you choose. Many of our franchisees use the CenterEdge Software point of sale system and the Helix Leisure game management system. We estimate that these systems, including hardware, are on average, approximately \$128,000 (\$45,000 for CenterEdge; \$82,500 for Helix Leisure) depending on the number of stations and card readers. The information stored on these systems includes transactional data regarding customer sales and scheduling.

We have no right or obligation to provide ongoing computer maintenance, repairs, upgrades or updates. You are expected to maintain, repair, upgrade and/or update the computer equipment and software as needed. There are no limits on our right to require that you update your Technology System. Annual support and maintenance costs are estimated to be between \$5,000 and \$15,000.

Currently, we do not have independent access to the information and data on your Technology System.

Franchise Site and Construction. You must select a site for your Putt-Putt Franchise within a specified geographic area that is approved in advance by PPLLC. We will provide site selection assistance and site evaluation(s), as we deem necessary and appropriate. If we deem that a site evaluation is appropriate, we will provide one at no charge. You are responsible for reimbursing us for any additional on-site evaluations, including all reasonable costs and expenses incurred by us in relation to each such additional evaluation, including without limitation the cost of travel, lodging and meals for our employees and agents. In addition, you must pay us a fee of \$300 per day for each employee or agent of PPLLC that performs such additional evaluation services. If you have not executed a Franchise Agreement, and request a site consultation and PPLLC grants your request, then you must pay the costs and expenses incurred by us in relation to such site consultation. Such costs and expenses will be credited toward your payment of the Initial Franchise Fee if they are incurred within one year prior to your signing of the Franchise Agreement.

As of the date of this Disclosure Document, it is our policy that we will respond to all requests for site approval within 30 days from the date you submit a request to us for site approval and all other information regarding the site that we reasonably request from you. The criteria used by PPLLC to approve locations are: (1) population within a ten-mile drive of the site, (2) accessibility to major thoroughfares and traffic patterns, (3) income of the serviced area, (4) general aesthetics of property and adjoining businesses, (5) cost of land or cost of lease, and (6) the judgment and experience of the franchisee.

We will provide you with putting course designs and other preliminary plans and specifications that you must use to construct your Putt-Putt Franchise.

We do not assist you to conform the premises to local ordinances and codes, or in obtaining any required permits. Except as provided above, we do not assist you in the construction, remodel or decoration of your Putt-Putt Franchise.

Length of Time Prior to Opening. The approximate time between signing a Franchise Agreement and opening a Putt-Putt Franchise is 180 to 360 days. The factors which may affect this time period are: the need for special use permits for the construction of the facility, arranging for a contractor to construct the amusement arcade and weather conditions.

You must begin construction within 12 months from the execution of the Franchise Agreement. You must complete construction within 24 months from the execution of the Franchise Agreement. If you do not meet these timeframes, we may terminate the Franchise Agreement without any refund of the Initial Franchise Fee or any other amount.

Training.

Your Operating Principal and General Manager are required to attend and successfully complete to our satisfaction our initial training program at our corporate office and/or at a Putt-Putt facility selected by us before opening your business. (Section 8(a)). The initial training program will be held as often as necessary, at our discretion. We use videos, lecture materials, and the Manuals as instruction materials for initial training. There is no fee for up to three persons attending initial training. You are responsible for all costs and expenses incurred by your trainees while attending the initial training program.

Our training program consists of the following:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of Training On-The-Job	Location
Management Skills	0	60	Putt-Putt facility
Operational Methods	0	60	Putt-Putt facility
Accounting Methods	0	20	Putt-Putt facility
Marketing Techniques	0	20	Putt-Putt facility
Totals	0	160	

Teresa Greco will conduct your initial training. Ms. Greco has worked extensively with our vendors, suppliers, manufacturers and training company (“**Provider Personnel**”) in our existing training program and to bolster our existing training program and improve our training materials and training sessions. She has studied extensively with our Provider Personnel, and was instrumental in updating and improving our Operations Manual. Ms. Greco has over 14 years of experience working with and training PPLLC franchisees.

Additional Training. Your Operating Principal and General Manager must attend and complete, to our satisfaction, such additional training that we may require. We may also provide national and regional training sessions that your Operating Principal and General Manager must attend and complete, to our satisfaction, on an annual basis. You are responsible for all costs and expenses incurred by your trainees while attending additional training and national and regional training sessions. We may charge a reasonable fee for additional training; however, we will provide training personnel and materials for annual training sessions without charge.

If you request additional training or if additional training is necessary due to a replacement Operating Principal or General Manager, we may provide such training subject to the availability of our personnel. You are responsible for all costs and expenses incurred by our training personnel and your trainees while attending such additional training. We may also charge you a reasonable fee for providing such additional training.

Operations Manual. We will provide you with a copy of the current PPLLC Operations Manual after the Franchise Agreement is executed.

The current Table of Contents of the Operations Manual includes:

Section	Page(s)
Introduction	3
Section 1 – The Putt-Putt Fun Center Success Manual	
Mission Statement	4
Core Values	4
Commandments of Culture	5-6

Section	Page(s)
Section 2 – General Facility Operating Procedures	
Hours of Operation	7
Days of Operation	7
First Impressions	8
Controlling the Controllable	8
Cash Handling	8-15
Security	16-18
Signage	18
Flags	18
Lighting	19
Grounds Upkeep	19-21
Attractions Overview	21-25
Section 3 – Service, Pricing, and Parties	
Guest Service the Putt-Putt® Way	26-36
Pricing Structure	37
Birthday Parties	38-40
Section 4 – Reporting to the Home Office	
Revenue and Royalty Reporting Procedures	41-42
Section 5 - Insurance and Risk Protection	
Insurance Necessary to Operate Your Facility	43
Section 6 - Putt-Putt® Trademark and Trade Dress	
Trademark Guidelines	44
Section 7 – Approved Suppliers and Vendors	45
TOTAL PAGES	45

ITEM 12 TERRITORY

You must operate your Putt-Putt Franchise from an approved location.

You must receive our prior approval before any relocation. We will not unreasonably withhold our approval if (i) your proposed new location does not, in our opinion, adversely affect the Gross Receipts of any other Putt-Putt franchisee or any company-owned unit, (ii) your proposed new lease meets our then-current requirements, (iii) your proposed new construction and furnishings meet our then-current requirements, (iv) no default (as defined in the Franchise Agreement), or event which with the giving of notice or passage of time or both would constitute a default, exists as of the relocation request date, and (v) you have met all of our then-current training requirements.

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. However, you are granted certain protected rights in your protected territory (“**Protected Territory**”). We agree that we will not operate, or license others to operate, a recreational facility using the Marks within your Protected Territory. Except within the Protected Territory, we may establish a recreational facility under the Marks, or grant any person or entity a franchise or license to adopt or use the Marks in the operation of a recreational facility anywhere. Specifically, we reserve the right to (a) establish franchises and/or franchisor-owned outlets anywhere selling similar products and providing similar services under names and symbols other than the Marks; (b) advertise, or authorize others to advertise, within the Protected Territory using the Marks; and (c) sell, or authorize others to sell, products and services under the Marks or any other name or marks anywhere, except for through recreational facilities services within the Protected Territory. We grant

you a protected territory within which we will not establish, or grant to any person any franchise or license to establish, a recreational facility that offers goods or services under the Marks during the term of the Franchise Agreement (the “**Protected Territory**”). Except as provided in the preceding sentence, you do not have any territorial protections. We or our affiliate may (a) advertise, and authorize others to advertise, within the Protected Territory using the Marks; (b) advertise, or authorize others to advertise, within the Protected Territory using the Marks; and (c) sell, or authorize others to sell, products and services under the Marks or any other name or marks anywhere, except through recreational facilities within the Protected Territory.

Typically, your Protected Territory will be a ten-mile radius from your approved location. However, the criteria used for determining the boundaries of your Protected Territory will include: the population base; the growth trends of the population base and the apparent degree of affluence of the population; major and restricting topographical features which define contiguous areas, such as rivers, mountains, major roads and underdeveloped land areas; traffic patterns; and the density of residential and business populations. Your Protected Territory will be a minimum of 10 miles from your approved location.

The Franchise Agreement does not provide you with any options, rights of first refusal, or similar rights to acquire additional Putt-Putt Franchises within the Protected Territory or areas contiguous to the Protected Territory. You do not have the right to use the Marks in other channels of distribution. Continuation of your territorial protections under the Franchise Agreement is not dependent upon your achieving any sales quotas, market penetrations or other contingencies, and your Protected Territory may not be altered under any circumstances.

You are not prohibited from advertising within any particular area.

ITEM 13 TRADEMARKS

We grant you a license to use the PUTT-PUTT® mark and other marks described in this Item 13 (the “Marks”) in connection with the operation of your Putt-Putt Franchise. You may use the Marks only in the manner authorized in writing by PPLLC.

We or our predecessors have registered the following primary Marks on the Principal Register of the U.S. Patent and Trademark Office (“USPTO”):

Description of Mark	Registration Number	Date of Issuance
PUTT-PUTT GOLF COURSE®	657,893	01/28/58
PUTT-PUTT®	1,779,013	06/29/93
PUTT-PUTT®	2,075,868	07/01/97
PPA®	2,075,915	07/01/97
PUTT-PUTT®	2,077,704	07/08/97
PUTT-PUTT®	2,101,518	09/30/97
PROFESSIONAL PUTTERS ASSOCIATION®	2,176,094	07/28/98

Description of Mark	Registration Number	Date of Issuance
PUTT-PUTT (& Design) 	2,512,620	11/27/01
PUTT-PUTT BUSTER (& Design) 	3,437,846	05/27/08
LET THE FUN BEGIN! ®	3,142,944	09/12/06
PUTT-PUTT FUN CENTER (& Design) 	4,221,166	10/09/12
PUTT-PUTT GOLF & GAMES®	4,845,690	11/03/15
PUTT-PUTT FUN CENTER (& design) 	7,453,292	07/23/24
PUTT-PUTT FUN CENTER LET THE FUN BEGIN! (& design) 	7,453,293	07/23/24

All required documents have been filed to maintain the foregoing registrations. We also claim rights in the following unregistered trademarks:

RACE ZONE
 WET ZONE
 BAT ZONE
 SPIN ZONE
 LAZER ZONE
 SNACK SHACK

We do not have federal registrations of the above Marks, and we have not filed applications to register these Marks with the USPTO. Therefore, these Marks do not have as many legal benefits and rights

as a federally registered trademark. If your right to use one of these unregistered Marks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

There are no currently effective material determinations of the USPTO, U.S. Trademark Trial and Appeal Board, or the Trademark Administrator of any state or any court involving our primary Marks. There are no currently pending actions involving infringement, opposition or cancellation, or pending material litigation, involving our primary Marks.

There are no agreements currently in effect which limit our rights to use or license the use of our Marks, trade names, logo types, or other commercial symbols.

You must notify PPLLC immediately in writing if you learn of any infringement or challenge to your use of any of the Marks. We are not obligated by the Franchise Agreement or otherwise to protect the rights that you have to use such Marks, nor are we contractually obligated to protect you against claims of infringement or unfair competition with respect to the same.

If we decide to add, modify or discontinue the use of any Mark, you must also do so. We have no obligation to reimburse you for the cost of complying with this obligation.

There are no infringing uses actually known to us that could materially affect your use of our primary Marks in any state.

We do not know of any superior prior rights or infringing uses that could materially affect your use of our Marks.

The following companies are users that may be infringing our mark by using an identical or substantially similar trademark and have been notified about their infringement: Putt-Putt Mobile in Broken Bow, OK has been using a similar mark since approximately 2022 and Putt Putt Kicks on Route 66 in Stroud, OK has been using a similar mark since approximately 2023.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

PPLLC does not own any patents, but does own a substantial number of copyrights. Information concerning representative material registered copyrights owned by us is provided below:

COPYRIGHT TITLE	REGISTRATION NUMBER	DATE
Detailed Plan & Specs for construction of Putt-Putt Golf Course	IP 4426	01/17/58
Junior Putters of America.	TX-380-590	12/13/79
Junior Putters of America.	TX-464-422	02/11/80
If you're looking for sport, competition, and just plain fun, join the Junior Putters of America.	TX-482-507	02/11/80
Putt-Putt for the fun of it	TX-482-508	02/11/80
Official rules.	TX-1-135-417	01/17/83
Plans and specifications of putt-putt golf courses.	VAu-42-614	01/17/83

COPYRIGHT TITLE	REGISTRATION NUMBER	DATE
Architectural drawings and plans and specifications for putt-putt golf courses, clubhouse specialized furnishings.	VAu-42-884	01/25/83
Layout and design of miniature golf courses.	VA-186-171	03/04/85
38 drawings of hole designs of independent miniature golf courses.	VA-193-260	03/04/85
Octagonal obstacles; Circular obstacles.	VA 248-589	12/24/86
Putt-Putt Golf Course Hole Design C7-13	VA 248-587	12/24/86
Putt-Putt Golf Course Hole Design C7-18	VA 248-588	12/24/86
Putt-Putt Golf Course Hole Design C7-5	VA 248-590	12/24/86
Official rules & regulations.	TX-1-992-747	01/02/87
Putt-Putt Golf Course Hole Design C7-10	VA 256-081	03/09/87
Putt-Putt Golf Course Hole Design C7-16	VA 256-082	03/09/87
Putt-Putt Golf Course Hole Design C7-18	VA 256-044	03/09/87
Putt-Putt Golf Course Hole Design C8-1	VA 267-469	06/03/87
Putt-Putt Golf Course Hole Design C8-10	VA 267-989	06/03/87
Putt-Putt Golf Course Hole Design C8-11	VA 267-994	06/03/87
Putt-Putt Golf Course Hole Design C8-12	VA 267-991	06/03/87
Putt-Putt Golf Course Hole Design C8-13	VA 267-993	06/03/87
Putt-Putt Golf Course Hole Design C8-14	VA 267-950	06/03/87
Putt-Putt Golf Course Hole Design C8-15	VA 267-949	06/03/87
Putt-Putt Golf Course Hole Design C8-2	VA 267-468	06/03/87
Putt-Putt Golf Course Hole Design C8-3	VA 267-475	06/03/87
Putt-Putt Golf Course Hole Design C8-4	VA 267-474	06/03/87
Putt-Putt Golf Course Hole Design C8-5	VA 267-473	06/03/87
Putt-Putt Golf Course Hole Design C8-6	VA 267-472	06/03/87
Putt-Putt Golf Course Hole Design C8-7	VA 267-471	06/03/87
Putt-Putt Golf Course Hole Design C8-8	VA 267-470	06/03/87
Putt-Putt Golf Course Hole Design C8-9	VA 267-992	06/03/87
Putt-Putt Golf Course Hole Design C8-16	VA 270-174	06/19/87
Putt-Putt Golf Course Hole Design C8-17	VA 270-173	06/19/87
Putt-Putt Golf Course Hole Design C8-18	VA 270-172	06/19/87
Official rules & regulations of the Professional Putters Association.	TX-2-224-163	12/24/87
Putt-Putt Golf Course Hole Design C7-1	VA 392-334	01/23/90
Putt-Putt Golf Course Hole Design C7-10	VA 396-004	01/23/90
Putt-Putt Golf Course Hole Design C7-12	VA 396-009	01/23/90
Putt-Putt Golf Course Hole Design C7-14	VA 396-008	01/23/90
Putt-Putt Golf Course Hole Design C7-15	VA 396-007	01/23/90
Putt-Putt Golf Course Hole Design C7-16	VA 396-006	01/23/90
Putt-Putt Golf Course Hole Design C7-17	VA 396-005	01/23/90

COPYRIGHT TITLE	REGISTRATION NUMBER	DATE
Putt-Putt Golf Course Hole Design C7-2	VA 392-336	01/23/90
Putt-Putt Golf Course Hole Design C7-6	VA 392-335	01/23/90
A hole lotta fun.	PA-595-927	12/21/92

We intend to renew the above copyrights. There are no agreements currently in effect which limit our rights to use or license the use of the above copyrights.

Although we have not filed an application for a copyright registration for our Operations Manual, we claim a copyright in our Operations Manual, and consider the information contained in the Operations Manual to be proprietary. The Operations Manual is described in Item 11.

You must promptly notify us when you learn about any unauthorized use, claims or infringement involving our copyrights or other proprietary information.

There are no pending proceedings in the Patent and Trademark Office or the Court of Appeals for the Federal Circuit with respect to any of our copyrights, nor is there any agreement in effect that would limit our rights to use any of our copyrights.

You are not obligated to protect any copyrights owned by us. We are not obligated to protect your rights to use our copyrights or other commercial symbols, nor are we contractually obligated to protect you against claims of infringement or of unfair competition with respect to the same.

If we decide to add, modify or discontinue the use of an item or process covered by a patent or copyright, we will so notify you, and you must comply with our directions. We have no obligation to reimburse you for the cost of complying with this obligation.

There are no presently effective determinations of the USPTO, Copyright Office (Library of Congress) or any court regarding our patents or copyrights or of any state or any court.

There are no infringements known to us that would materially affect your use of our patents and copyrights.

ITEM 15

OBLIGATION OF THE FRANCHISEE TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You are required to participate personally in the direct operation of your Franchise. You must designate an individual owner as your Operating Principal who owns at least a 10% interest in the entity who must have authority over all business decisions related to the Putt-Putt Franchise, and must have the power to bind you in all dealings with us.

You must also appoint a General Manager to conduct “on-premises” supervision of the Putt-Putt Franchise on a full-time basis at least 14 days prior to the start of initial training, who may be your Operating Principal.

Your Operating Principal and General Manager must attend and successfully complete the initial training program and all required additional training.

Your General Manager need not have an equity interest in the franchising entity. There are no limits on whom you can hire as your General Manager.

All of your owners must sign our Payment and Performance Guarantee attached to the Franchise Agreement. We may also require your owners' spouses to sign a personal guaranty.

If we request, you must have your General Manager and other supervisory personnel sign a confidentiality and non-compete agreement. We do not require you place any other restrictions on your General Manager.

You must perform background checks in accordance with the Fair Credit Reporting Act on all employees that you hire.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell only products and services as have been expressly approved for sale in writing and must offer all products and services that we designate as required offerings at the Franchise. You must discontinue the sale of any products or services that we have disapproved at any time.

We may change the types of authorized goods or services you may offer at any time without limitation. We may also require removal of any amusement device or attraction if it is determined by us that it is detrimental to our image or goodwill.

No other attraction, business or enterprise shall be operated by you at the Putt-Putt Franchise premises, adjacent to the Putt-Putt Franchise premises or in conjunction with the Marks, without our express written permission. If at any time during the term of the Franchise Agreement, you desire to operate other recreational attractions that are licensed by us, you may do so only under a written license with us. If permission to add such attraction, business or enterprise is granted, an additional initial franchise fee may apply, and the calculation of royalties due under the Franchise Agreement will include all revenue derived from such additional attraction, business or enterprise.

You may not sell any alcoholic beverages at or from your Putt-Putt Franchise premises.

There are no conditions or restrictions as to the customers to whom you may sell such products and services.

[remainder of page left intentionally blank]

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

This table lists certain important provisions of the Franchise Agreement. You should read these provisions in the Franchise Agreement attached to this Disclosure Document as Exhibit A. All references to sections below are to the Franchise Agreement unless otherwise indicated.

THE FRANCHISE RELATIONSHIP

Provision	Section	Summary
a. Length of the franchise term	Section 3	Term is 20 years.
b. Renewal or extension of the term	Section 4	You may renew for additional terms of 5 years, subject to certain conditions.
c. Requirements for you to renew or extend	Section 4	You must give us written notice of your desire to renew not less than 6 months nor more than 9 months, prior to the expiration of the initial term. To be eligible to renew, you must have complied with the obligations under your agreements with us, execute the then-current Franchise Agreement offered by us, have satisfied all monetary obligations and not made more than 5 late payments under the Franchise Agreement. Also, you must pay the successor term fee then being charged by us and make reasonably required renovation and modernization of your Putt-Putt Franchise.
d. Termination by you	Section 17(f)	We have 30 days to cure after written notice of a material breach.
e. Termination by us without cause	Section 17(c)	Upon 120 days prior notice, we may terminate the Franchise Agreement as to any licensed attraction if it generally stops licensing such attraction to third parties.
f. Termination by us with cause	Section 17	We may terminate the agreement if you default.
g. “Cause” defined—curable defaults	Section 17(a)	The following defaults may be cured within 30 days after written notice from us: failure by you to modify or renovate a Putt-Putt Franchise in strict compliance with our approved plans; failure by you to submit required reports or pay all money due; failure by you to maintain our standards, specifications and procedures; failure by you to comply with Section 13(a)(4) of your Franchise Agreement; failure to comply with any other provision not specifically addressed in the following section.
h. “Cause” defined—non-curable defaults	Section 17(b)	The following defaults cannot be cured: (1) you become insolvent; (2) any breach by you of the same provisions of your Franchise Agreement two or more times within any 12

Provision	Section	Summary
		month period; (3) failure by you to begin or complete construction of your Putt-Putt Franchise within the specified period; (4) failure by you to properly use the Marks; (5) failure to comply with non-competition covenants; (6) failure to maintain possession of your Putt-Putt Franchise premises; (7) you transfer other than in compliance with the Franchise Agreement; (8) you abandon or fail to operate your Putt-Putt Franchise for more than 5 consecutive days; (9) underpayments of royalty fee or Marketing Fee (as set forth in Section 12(c) of the Franchise Agreement); (10) you breach any other agreement between us or our affiliates or any agreement related to your premises or business; or (11) you act fraudulently in connection with your Franchise Agreement or the operation of your Putt-Putt Franchise.
i. Your obligations on termination/non-renewal	Sections 16 and 17(d)	Upon termination or expiration you must (1) discontinue use of any trade name, Mark, manuals, confidential information and trade secrets; (2) cause the color scheme to change from our approved colors to colors that are not confusingly similar; (3) change signs, buildings, fixtures and other structures to distinguish the premises from a Putt-Putt Franchise; (4) return all PPLLC material including manuals and advertising material; (5) cease using the “Colored Light System”; (6) cease issuing and redeeming PPLLC tickets and passes; (7) change your assumed or trade name if it incorporates the Marks; (8) change the putting holes and facilities so that they are not substantially similar to any of Putt-Putt’s copyrighted designs; (9) comply with provisions in agreements between you and approved vendors that are effective upon termination or cancellation of your Putt-Putt Franchise; (10) pay all monies due under the terms of the Franchise Agreement; (11) pay liquidated damages; and (12) comply with non-competition covenants.
j. Assignment of contract by us	Section 20(a)	No restriction on our right to assign.
k. “Transfer” by you—defined	Section 20(b)	Includes transfer of Franchise Agreement, assets or transfer of controlling interest.
l. Our approval of transfer by you	Section 20(b)	Written consent given by us after notification by you of intent to sell and conditions for approval have been met.

Provision	Section	Summary
m. Conditions for our approval of transfer	Sections 20 and 21	Conditions for approval of transfer (1) you grant us a right of first refusal; (2) assignee meets our qualifications; (3) you are in full compliance with your Franchise Agreement and other agreements with us; (4) you sign a general release; (5) assignee assumes all obligations to us under the Franchise Agreement; (6) assignee pays transfer fee; (7) assignee signs then current Franchise Agreement and other documents required by us; (8) assignee agrees to renovate and modernize the Putt-Putt Franchise as we may require per the Franchise Agreement; (9) assignee agrees to a training period; and (10) assignee provides us with formation documents and other requested materials.
n. Our right of first refusal to acquire your business	Section 19	We have the irrevocable first right and option to purchase the business on the same terms as a third party by submitting written notification to you of its election within 30 days of receipt of the written offer by such third party.
o. Our option to purchase your business	Section 17(e)	We have the right upon termination or expiration of the Franchise Agreement to purchase any or all improvements, advertising, equipment, furniture, fixtures and other related items used by you in the operation of the Putt-Putt Franchise. We have 30 days after termination or expiration to exercise such option.
p. Your death or disability	Section 20(c)	If you, or if you are an entity, any individual holding a controlling interest, die or become disabled, we will not unreasonably withhold its consent to the transfer of such interest, provided the conditions for us to approve the transfer have been met.
q. Non-competition covenants during the term of the franchise	Section 16(a)	You may not own, maintain, engage in or otherwise have a controlling interest in any business offering the same or similar products and services as the business licensed under the Franchise Agreement within a ten-mile radius of your Putt-Putt Franchise, each other facility owned, operated or licensed by us utilizing any Mark or each facility owned, operated or licensed by us developed subsequent to the date of the Franchise Agreement that utilizes any Mark.

Provision	Section	Summary
r. Non-competition covenants after the franchise is terminated or expires	Section 16(b)	For a period of 2 years following the expiration or termination of the Franchise Agreement, you may not own, maintain, engage in or otherwise have a controlling interest in any business offering the same or similar products and services as the business licensed under the Franchise Agreement within a ten mile radius of your Putt-Putt Franchise, each other facility owned, operated or licensed by us utilizing any Mark or each facility owned, operated or licensed by us developed subsequent to the date of the Franchise Agreement that utilizes any Mark.
s. Modification of the agreement	Section 32	We may make changes to any aspect of its franchise system and/or provisions of the Operations Manual. Otherwise, all changes to the Franchise Agreement must be in a writing signed by both parties.
t. Integration/merger clause	Section 40	The Franchise Agreement, the documents referred to in the Franchise Agreement, and the exhibits and attachments to the Franchise Agreement, constitute the entire, full, and complete agreement and supersede all prior agreements, provided that nothing in the Franchise Agreement or in any related agreement shall disclaim any representations made by us in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	None	Not applicable.
v. Choice of forum	Section 25	Claims may be brought in a state or federal court located in North Carolina.
w. Choice of law	Section 26	North Carolina law applies.

ITEM 18 PUBLIC FIGURES

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

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised Stores. 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 Store, however, we may provide you with the actual records of that Store. 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 Teresa Greco, 1414 Raleigh Road, Suite 410, Chapel Hill, North Carolina 27517, (866) 788-8788, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Fiscal Years 2022 to 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	29	29	0
	2023	29	29	0
	2024	29	25	4
Company-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	29	29	0
	2023	29	29	0
	2024	29	25	0

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(other than the franchisor)
For Fiscal Years 2022 to 2024

State	Year	Number of Transfers
California	2022	0
	2023	0
	2024	1
Total	2022	0
	2023	0
	2024	1

Table No. 3
Status of Franchised Outlets
For Fiscal Years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
CA	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
FL	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
GA	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
IN	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	1	0	0	2
KY	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
LA	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
NC	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
OH	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	1	0	0	0	1
PA	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
TN	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
TX	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	1	2
VA	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	1	0	0	0	3

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Total	2022	29	0	0	0	0	0	29
	2023	29	0	0	0	0	0	29
	2024	29	0	2	1	0	1	25

Table No. 4
Status of Company-Owned Outlets
For Fiscal Years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
All States	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Totals	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

Table No. 5
Projected Openings as of December 31, 2024

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
All States	0	0	0
TOTALS	0	0	0

Current and Former Franchisees. Exhibit E contains the names of all current franchisees and the address and telephone number of each of their Putt-Putt Franchises. **Exhibit F** contains the names, city and state, and the current business telephone number, or, if unknown, the last known home telephone number of every franchisee who had a Putt-Putt Franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under any Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of this Disclosure Document's issuance date.

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

Confidentiality Agreements. We have not signed any confidentiality clauses with any of our franchisees during our last three fiscal years.

Trademark-Specific Franchisee Organizations. As of the date of this Disclosure Document, there are no trademark-specific franchisee organizations associated with our franchise system.

ITEM 21
FINANCIAL STATEMENTS

Exhibit C contains our audited consolidated financial statements of PPLLC and PPM as of December 31, 2024, 2023, and 2022. Our fiscal year ends December 31.

ITEM 22
CONTRACTS

The proposed agreements regarding this franchise offering are included as exhibits to this Disclosure Document as follows:

- A. Franchise Agreement
 - Schedule 1- General Information
 - Schedule 2- Marks
 - Schedule 3- Putting Course Design
 - Schedule 4- General Release and Addendum to the Franchise Agreement

ITEM 23
RECEIPT

Exhibit H contains our copy and your copy of the Disclosure Document Receipts.

**EXHIBIT A
TO THE
DISCLOSURE DOCUMENT
FRANCHISE AGREEMENT**



FRANCHISE AGREEMENT

between

PUTT-PUTT, LLC

and

TABLE OF CONTENTS

<u>1.</u>	<u>GRANT OF LICENSE.</u>	1
<u>2.</u>	<u>TERRITORIAL PROTECTION.</u>	2
<u>3.</u>	<u>TERM.</u>	2
<u>4.</u>	<u>SUCCESSOR TERMS.</u>	2
<u>5.</u>	<u>USE OF PROPRIETARY MARKS AND RIGHTS.</u>	3
<u>6.</u>	<u>CONSTRUCTION AND DEVELOPMENT.</u>	4
<u>7.</u>	<u>CONSULTATION.</u>	6
<u>8.</u>	<u>TRAINING.</u>	6
<u>9.</u>	<u>OPERATIONS MANUAL AND STANDARDS.</u>	7
<u>10.</u>	<u>MANAGEMENT.</u>	8
<u>11.</u>	<u>FEES.</u>	9
<u>12.</u>	<u>REPORTING AND RECORDKEEPING.</u>	10
<u>13.</u>	<u>LOCAL ADVERTISING EXPENDITURES.</u>	11
<u>14.</u>	<u>INSURANCE.</u>	11
<u>15.</u>	<u>LAWFUL OPERATION; COMPLIANCE WITH PRIVACY LAWS.</u>	12
<u>16.</u>	<u>COVENANTS NOT TO COMPETE.</u>	13
<u>17.</u>	<u>TERMINATION.</u>	14
<u>18.</u>	<u>CURE OF BREACH BY FRANCHISOR.</u>	17
<u>19.</u>	<u>RIGHT OF FIRST REFUSAL.</u>	18
<u>20.</u>	<u>ASSIGNMENT.</u>	18
<u>21.</u>	<u>INDEMNIFICATION.</u>	20
<u>22.</u>	<u>RELATIONSHIP OF THE PARTIES.</u>	20
<u>23.</u>	<u>NOTICES.</u>	20
<u>24.</u>	<u>RESOLUTION OF DISPUTES.</u>	21
<u>25.</u>	<u>GOVERNING LAW.</u>	21
<u>26.</u>	<u>WAIVER.</u>	21
<u>27.</u>	<u>COSTS OF ENFORCEMENT.</u>	21
<u>28.</u>	<u>MODIFICATIONS.</u>	21
<u>29.</u>	<u>FRANCHISE VARIATIONS.</u>	22
<u>30.</u>	<u>IMPROVEMENTS OR ENHANCEMENTS TO THE FRANCHISE SYSTEM.</u>	22
<u>31.</u>	<u>NO PROJECTIONS OR WARRANTIES.</u>	22
<u>32.</u>	<u>INJUNCTIVE RELIEF.</u>	22
<u>33.</u>	<u>CONFIDENTIALITY AGREEMENT.</u>	23
<u>34.</u>	<u>SEVERABILITY.</u>	23
<u>35.</u>	<u>GRAMMAR.</u>	23

<u>36.</u>	<u>HEADINGS.</u>	24
<u>37.</u>	<u>COUNTERPARTS.</u>	24
<u>38.</u>	<u>FORCE MAJEURE.</u>	24
<u>39.</u>	<u>TIME OF ESSENCE.</u>	24
<u>40.</u>	<u>ENTIRE AGREEMENT.</u>	24
<u>41.</u>	<u>CONSTRUCTION.</u>	24
<u>42.</u>	<u>SURVIVORSHIP.</u>	24

Schedule 1	General Information
Schedule 2	Marks
Schedule 3	Putting Course Design
Schedule 4	General Release and Addendum to the Franchise Agreement

PUTT-PUTT, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT is made and entered into as of the Effective Date set forth on **Schedule 1** and all other exhibits hereto are hereby incorporated herein by this reference) and is by and between PUTT-PUTT, LLC, a North Carolina limited liability company (“**Franchisor**”), and the person or entity identified on **Schedule 1** as the “**Franchisee**”.

RECITALS

A. Franchisor, itself and through its affiliates, has accumulated knowledge and experience in the recreational center industry on the basis of which it has developed, and will develop, distinctive business formats, procedures, designs, layouts, course décor, trade dress, patents and other unique characteristics, standards and specifications, all of which it may improve, further develop or otherwise modify from time to time (collectively, the “**Intellectual Property**”), for the operation of various types of recreational centers that offer attractions to the general public (i) under the marks listed on **Schedule 2** and other marks, associated designs, artwork and logos designated by Franchisor for use by Franchisee (all such marks, whether now existing or hereafter incorporated into the PUTT-PUTT® system (the “**System**”) shall be referred to herein as the “**Marks**”); and (ii) using Franchisor’s hole configurations and associated designs listed on **Schedule 3** and other hole configurations and associated designs designated by Franchisor (all such designs, whether now existing or hereafter incorporated into the System shall be referred to herein as the “**Putting Course Designs**”).

B. Franchisor, itself and through its affiliates, has created substantial goodwill and recognition for the Marks, of which Franchisor is the sole and exclusive proprietary owner.

C. Franchisee desires to open and operate the type of PUTT-PUTT® franchise specified on Schedule 1 to **Schedule 1** that will offer the recreational attractions specified therein (the “**Permitted Attractions**”) at an approved location (the “**Designated Location**”) using the System, the Marks and the Putting Course Designs (collectively, the “**Franchise**”), and Franchisor desires to grant to Franchisee a license to establish and operate such Franchise.

NOW, THEREFORE, in consideration of the premises and the mutual agreements set forth herein, together with other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by both parties, it is agreed as follows:

2. GRANT OF LICENSE.

a. Subject to the terms and conditions of this Agreement, Franchisor hereby grants to Franchisee a non-exclusive license to (i) operate the Franchise at the Designated Location; and (ii) use the Marks and Putting Course Designs at the Designated Location (collectively, the “**License**”). The Franchise shall be located at the Designated Location agreed upon between Franchisor and Franchisee pursuant to Section 6(a) either concurrently or subsequent to the execution of this Agreement, within the general area set forth on **Schedule 1**. Upon selection of the Designated Location, as provided in Section 6(a), Franchisor and Franchisee shall negotiate an area within which Franchisor shall not operate, or license others to operate, a Putt-Putt Franchise using the Marks (the “**Protected Territory**”). If Franchisor and Franchisee are unable to agree upon the Protected Territory once the Designated Location has been determined, the Protected Territory shall be the Minimum Radius of Protected Territory specified on **Schedule 1**. Franchisee hereby accepts such License and agrees to operate the Franchise, including the Permitted Attractions, for the initial term hereof.

b. Franchisee acknowledges the importance of the uniformity of the System, and understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain the high standards of quality and service and the uniformity of those standards in each facility, and thereby to protect and to preserve the goodwill of the System and the Marks used in conjunction therewith.

c. If at any time during the term of this Agreement, Franchisee desires to operate other recreational attractions that are licensed by Franchisor, Franchisee may only do so under a written license with Franchisor. No other attraction, business or enterprise shall be operated by Franchisee at the Designated Location, adjacent to the Designated Location or in conjunction with the Marks, without the express written permission of Franchisor. If permission to add such attraction, business or enterprise is granted, an additional initial franchise fee may apply, and the calculation of a royalty payments due hereunder shall include all revenue derived from such additional attraction, business or enterprise. All attractions, businesses and enterprises permitted under this Section 1(c) shall be included in the term **“Permitted Attraction”** and shall be subject to the terms and conditions of this Agreement.

3. TERRITORIAL PROTECTION.

Franchisor shall not operate, or license others to operate, a recreational facility using the Marks within the Protected Territory. Except within the Protected Territory, Franchisor may establish a recreational facility under the Marks, or grant any person or entity a franchise or license to adopt or use the Marks in the operation of a recreational facility anywhere and such action shall not constitute a breach or default under this Agreement or of any other obligation, express or implied, which Franchisor may owe to Franchisee at law or in equity. Franchisee has no exclusive territorial rights, protected territory or other right to exclude, control or impose conditions on the location or development of other or future franchises under the Marks or on Franchisor's activities, except as expressly provided in the first sentence of this Section 2. Without limiting the foregoing, Franchisor and/or its affiliate expressly reserve the right to (a) establish franchises and/or Franchisor-owned outlets anywhere selling similar products and providing similar services under names and symbols other than the Marks; (b) advertise, or authorize others to advertise, within the Protected Territory using the Marks; and (c) sell, or authorize others to sell, products and services under the Marks or any other name or marks anywhere, except through recreational facilities within the Protected Territory.

4. TERM.

The initial term of this Agreement shall begin on the date hereof and, unless sooner terminated as herein provided, shall continue for a period of 20 years from the date hereof.

5. SUCCESSOR TERMS.

Subject to the conditions set forth below, Franchisee shall have the option and right to obtain additional consecutive successor terms of five years each provided the following conditions are satisfied:

a. Franchisee shall give Franchisor written notice of its desire to enter into a successor term not less than six months, nor more than nine months, prior to the expiration of the initial term of this Agreement;

b. Franchisee shall have complied with all obligations and provisions of this Agreement, the Operations Manual (defined below), and all other ancillary agreements between the parties hereto on a timely basis;

- c. Franchisee shall have satisfied all monetary obligations to Franchisor, and to all other persons and entities to whom debts are owed pertaining to the Franchise;
- d. Franchisee shall not have delivered to Franchisor five or more late payments under this Agreement;
- e. Franchisee shall execute Franchisor's then-current franchise agreement and such other then-current ancillary agreements as Franchisor may reasonably require, which will supersede this Agreement for the successor term, and which may contain terms materially different than those contained herein, including but not limited to changes in performance standards, royalty, territorial exclusivity and other fees or other provisions, except that each such agreement shall provide for a successor term of five years;
- f. Franchisee shall pay the successor term fee then being charged by Franchisor;
- g. Franchisee shall have made or will make on a schedule, in Franchisor's sole discretion, such renovation and modernization of the Franchise as Franchisor may reasonably require, including, without limitation, signs, equipment, furnishings, hole configurations and designs, painting and wallpaper so as to reflect the then-current image of PUTT-PUTT facilities; and
- h. Franchisee shall have presented evidence satisfactory to Franchisor that it has the right to remain in possession of the Designated Location for the duration of the successor term.

Franchisor will notify Franchisee not less than 30 days prior to the expiration of this Agreement of whether a successor term shall be granted. Franchisor may refuse to renew or extend the term of this Agreement, in its sole and exclusive discretion, unless all of the conditions set forth herein have been fulfilled by Franchisee.

6. USE OF PROPRIETARY MARKS AND RIGHTS.

a. Franchisee shall have the right and license to use solely the Marks listed on **Schedule 2** hereto, as the same may be amended by written notice from Franchisor from time to time, and not any other marks. Franchisee shall operate, advertise and promote the Franchise under such Marks and other Marks specified by Franchisor from time to time, without the addition of any prefix, suffix, terms, designs or symbols other than the logo licensed to Franchisee with this Agreement, or as otherwise agreed to in writing by Franchisor. Franchisee acknowledges that Franchisor may from time to time, at its sole discretion, modify or discontinue the use of any Mark and use one or more additional or substitute Marks. Franchisee agrees to operate under such modifications as directed by Franchisor in writing, and to cease all use of the prior Marks immediately. After the expiration or termination of this Agreement, Franchisee shall not in any manner, either directly or indirectly, use for any purpose, the Marks, copyrighted materials, patents or other Intellectual Property of Franchisor.

b. Franchisor confirms and warrants that it or its affiliates are the sole and exclusive owner of the Marks and that the same are valid and subsisting; Franchisee acknowledges that Franchisor or its affiliates are the owner of all right, title and interest in and to said Marks, together with the Intellectual Property. At no time during the term of this Agreement or thereafter shall Franchisee dispute Franchisor's or its affiliates' rights to make representation of, claim ownership in or receive benefits from the Intellectual Property, except as expressly authorized in this Agreement. Franchisee agrees that the Marks shall be designated by the letter "R" within a circle (®) or a "TM" (™), as directed by Franchisor, for the protection of Franchisor's rights in the same, and Franchisee shall refrain from the use of any other name, including its own, in conjunction with such Marks. Franchisee shall submit all reproductions of all Marks to Franchisor for approval, except for reproductions made by Franchisor. Franchisee shall assume liability for unauthorized use thereof by Franchisee, or its employees or agents.

c. Franchisee acknowledges and agrees that this Agreement does not confer any goodwill or other interest in Intellectual Property, other than the right to operate the Franchise in compliance with this Agreement. Franchisee shall not use any of the Marks in its corporate or business name or in any trade name certificate filed in connection with its operation of the Franchise or otherwise.

d. If Franchisee is required to do so by any statute or ordinance, Franchisee shall promptly file with applicable government agencies or offices, a notice of its intent to conduct its business under the assumed or trade name that it is entitled to use hereunder. Promptly upon the expiration or termination of this Agreement for any reason whatsoever, Franchisee shall promptly execute and file such documents as may be necessary to revoke or terminate such assumed name registration, and if Franchisee shall fail to promptly execute and file such documents as may be necessary to effectively revoke and terminate such assumed name registration, Franchisee hereby irrevocably appoints and designates the person serving from time to time as the secretary of Franchisor as its attorney-in-fact to do so for and on behalf and in the name of Franchisee.

7. CONSTRUCTION AND DEVELOPMENT.

a. **SITE SELECTION.** Franchisee must use best efforts to locate a suitable location for the Franchise within the geographic area that is specified on **Schedule 1** and that is approved by Franchisor, and shall not lease or purchase any Designated Location for the Franchise until Franchisor has approved the location in writing. The approved Designated Location shall be listed on **Schedule 1** and initialed by the parties. Franchisor shall furnish to Franchisee site selection assistance that Franchisor considers necessary and appropriate, and such on-site evaluation(s) as Franchisor considers necessary and appropriate as part of its evaluation of Franchisee's request for approval of the location of the Franchise pursuant to this Section 6(a). If Franchisor determines that on-site evaluation is necessary and appropriate (on its own initiative), Franchisor shall provide one such evaluation (to last not more than two days unless otherwise agreed by Franchisor) at its own expense. If Franchisor provides any additional on-site evaluations (at the same or any other location), Franchisee shall reimburse Franchisor for all reasonable costs and expenses incurred by Franchisor in relation to each such additional evaluation, including without limitation the cost of travel, lodging and meals for Franchisor's employees and agents. In addition, Franchisee shall pay to Franchisor \$300 per day for each employee or agent of Franchisor that performs such additional evaluation services. **IT IS THE RESPONSIBILITY OF FRANCHISEE TO SELECT A SUITABLE SITE FOR THE FRANCHISE. FRANCHISOR RECOMMENDS THAT FRANCHISEE SEEK THE COUNSEL OF AN EXPERIENCED REAL ESTATE AGENT FAMILIAR WITH THE PROTECTED TERRITORY. FRANCHISEE HEREBY ACKNOWLEDGES AND AGREES THAT FRANCHISOR'S APPROVAL OF A PROPOSED SITE SHALL NOT CONSTITUTE A WARRANTY OR REPRESENTATION OF ANY KIND AS TO THE POTENTIAL SUCCESS OR PROFITABILITY OF THE FRANCHISE.**

b. **CONSTRUCTION OF NEW FACILITY.** Franchisee shall, at its sole expense, construct, furnish and equip the Franchise, together with concession facilities (if permitted by law), at the Designated Location in accordance with the Putting Course Designs and other preliminary plans and specifications furnished by Franchisor from time to time. The Putting Course Designs shall remain the sole and exclusive property of Franchisor. Franchisee shall: (i) safeguard Franchisor's rights in the Putting Course Designs and assume liability for the unauthorized use of the same, and (ii) bear any costs resulting from modification of the Putting Course Designs and preliminary plans. Before commencing construction of the Franchise, Franchisee, at its expense, shall comply, to Franchisor's satisfaction, with all of the following requirements:

(1) Franchisee shall employ a qualified architect or contractor who is acceptable to Franchisor to conform the Putting Course Designs and preliminary plans to the Designated Site. If so requested by Franchisor, Franchisee shall submit to Franchisor, for Franchisor's approval, final

plans for construction based upon the Putting Course Designs and other preliminary plans and specifications. Franchisor shall not review, nor shall any approval be deemed to include, approval or acceptance of Franchisee's compliance with federal, state, or local laws and regulations, including without limitation the American with Disabilities Act. Once approved by Franchisor, such final Putting Course Designs and plans shall not thereafter be changed or modified without the prior written permission of Franchisor. Any modified Putting Course Designs and other plans shall be the sole and exclusive property of Franchisor, and Franchisee hereby assigns to Franchisor any and all right, title and interest it owns in such modified Putting Course Designs, including the right to sue for infringement.

(2) Franchisee shall obtain all permits and certifications required for the lawful construction of the Franchise. Franchisee shall be responsible for obtaining all zoning classifications and clearances which may be required by state or local laws, ordinances, or regulations or which may be necessary or advisable owing to any restrictive covenants relating to the Franchise.

(3) Franchisee shall employ a qualified licensed general contractor who is acceptable to Franchisor to construct the Franchise and to complete all improvements.

(4) During the construction of the Franchise, Franchisee will permit Franchisor to make such on-site inspections of the Franchise as Franchisor determines appropriate to evaluate the construction or remodeling of the Franchise for compliance with Franchisor's requirements. Prior to opening for business, Franchisee shall comply with all preopening requirements set forth in this Agreement, the Operations Manual and/or elsewhere in writing by Franchisor.

c. COMMENCEMENT AND COMPLETION OF CONSTRUCTION. Whether Franchisee purchases or leases the Designated Location for its Franchise, Franchisee must order the necessary supplies and materials therefore and begin the construction of the Franchise within 12 months from the date of this Agreement, and shall complete the Franchise construction within 24 months from the date of this Agreement. Should Franchisee fail to begin or complete construction within these time periods, Franchisee shall immediately return to Franchisor all plans and other materials furnished by Franchisor. Such failure may result in termination of this Agreement by Franchisor and Franchisor shall be entitled to all fees due hereunder and to retain any portion thereof previously paid upon any such termination. Retention of the franchise fee and any other moneys paid to Franchisor shall not prejudice any other rights and remedies which Franchisor may have under law or in equity.

d. RELOCATION OF EXISTING FRANCHISE. In the event of the relocation of the Franchise and subject to Franchisor's approval, operation of the facility must commence within 12 months after the loss of the existing location. Failure to open the facility within this period may result in termination of this Agreement, at Franchisor's election.

e. LEASE. If Franchisee leases the Designated Location, Franchisee shall have 30 days from the date of Franchisor's approval of the Designated Location to submit the proposed lease to Franchisor for the Franchise. Any lease or renewal lease shall be subject to Franchisor's prior written approval and Franchisor shall have 30 days after submission by Franchisee to approve or disapprove the proposed lease. Such lease shall:

(1) Be consistent with the terms, conditions and provisions of this Agreement.

(2) Not create any liability in or rights against Franchisor, unless such liability or rights were specifically assumed by Franchisor under subsection (3) below.

(3) Provide that lessor (the “**Landlord**”) gives notice to Franchisor of any default of Franchisee concurrent with notice to Franchisee. If Landlord decides to terminate the lease, Franchisor, at Franchisor’s option, shall have 30 additional days, either by itself or by an assignee, to cure the default and assume the lease under the same terms and conditions. Any assumption of obligations under the lease by Franchisor, or its assignee, shall only be for debts and obligations accruing from and after the date of Franchisor’s, or its assignee’s, assumption of the lease.

(4) Provide that Franchisee and Franchisor shall have the right, upon termination or expiration of the lease, to change the improvements and to remove all signs, fixtures and other items which contain the Marks, or use the Intellectual Property so that none of Franchisor’s Intellectual Property rights, in Franchisor’s opinion, is violated and that if Franchisee fails or refuses to undertake such change or removal, that Franchisor shall have the right to undertake such actions on Franchisee’s behalf.

f. INSPECTION. Franchisor or its authorized representatives shall have the right, at any reasonable time, to monitor and observe the construction, renovation and/or operation of the Designated Location to ensure that Franchisee has complied with all provisions of this Agreement. All newly constructed Franchises shall be subject to a thorough inspection by a representative of Franchisor, and may not open for operations without the prior written approval of Franchisor or its representative.

g. NO REPRESENTATIONS OR WARRANTIES. Franchisor shall not, as a result of advice, consent or approvals provided in connection with this Agreement, assume responsibility for, or be liable to Franchisee or any person, and Franchisor makes no representations, warranties or guarantees, express or implied, as to, the potential revenue, profits or success of a Franchise. Neither the use of Franchisor’s standard specifications and plans, designs or its approved architect, nor Franchisor’s approval of any location or architects, contractor, plans, drawings or specifications, shall be any representation or warranty, express or implied, of Franchisor.

h. DESTRUCTION OF FACILITY. In the event of: (i) partial or complete destruction of the Franchise by an “act of God” or otherwise; (ii) loss of leasehold rights; or (iii) partial or complete taking of the Designated Location by eminent domain proceedings, Franchisee shall have one year from the date of such occurrence to rebuild and/or relocate the Franchise to a site approved by Franchisor within the Protected Territory. Failure to do so may, at Franchisor’s option, result in the termination of this Agreement.

8. CONSULTATION.

Franchisor shall at all reasonable times, upon request, and at no cost to Franchisee, advise and consult with Franchisee concerning new developments, products, recreational businesses, marketing techniques, and other improvements in the operation of a Franchise.

9. TRAINING.

a. INITIAL TRAINING. Franchisee’s Operating Principal (as defined in Section 10(a)) and General Manager (as defined in Section 10(b)) will attend and successfully complete Franchisor’s initial training program to Franchisor’s satisfaction prior to opening for business. Franchisor shall provide the training personnel and materials for such training sessions for up to three people designated by Franchisee (which shall include the Operating Principal and General Manager) without charge. Additional persons beyond the Operating Principal and General Manager may attend the initial training program, subject to Franchisor’s approval, and Franchisor may charge a reasonable fee for such attendance. Franchisee will be responsible for all meals, lodging, travel and other expenses incurred by its trainees in attending the initial training program. If Franchisee’s Operating Principal and General Manager do not successfully complete

the initial training program, which shall be determined in Franchisor's sole and absolute discretion, Franchisee's Operating Principal and/or its General Manager shall complete an additional training program, at Franchisee's expense, to include all fees and costs for meals, lodging, travel and other expenses incurred by Franchisor's training personnel and Franchisee's trainees, along with a reasonable fee in an amount reasonably commensurate with Franchisor's internal and out-of-pocket costs.

b. ADDITIONAL TRAINING. The Operating Principal and General Manager (including any replacement Operating Principal and General Manager) must attend and complete, to Franchisor's satisfaction, such additional training as Franchisor may require from time to time. Franchisor may charge a reasonable fee for such training in an amount reasonably commensurate with its internal and out-of-pocket costs. Franchisee will be responsible for any and all other expenses incurred in additional training, including, without limitation, the costs of meals, lodging, and travel. Franchisor may from time to time, in its discretion, provide certain national and regional training sessions, which Franchisee's Operating Principal and General Manager shall attend and successfully complete annually during the term of this Agreement. At such annual national or regional training sessions, Franchisor shall provide the training personnel and materials for such training sessions without charge to Franchisee; however, Franchisee shall pay all other costs, including meals, lodging, travel, and any other expenses incurred by Franchisee's trainees to attend such national or regional training sessions. If Franchisee requests additional training or if such training is necessitated due to a replacement Operating Principal or General Manager, Franchisor may provide such additional training subject to the availability of its personnel, with such additional training being at Franchisee's expense, to include all fees and costs for meals, lodging, and travel, and any other expenses incurred by Franchisor's training personnel and Franchisee's trainees, along with a reasonable fee in an amount reasonably commensurate with Franchisor's internal and out-of-pocket costs.

c. OPENING SUPPORT. Franchisor will provide a staff member or other designee to supervise during the first week of operations.

10. OPERATIONS MANUAL AND STANDARDS.

a. OPERATIONAL STANDARDS - PERMITTED ATTRACTIONS. Franchisee shall operate the Designated Location, the Franchise and Permitted Attractions in strict compliance with the standards, specifications and procedures of operation set forth in the Operations Manual as in effect and revised from time to time, and in accordance with any supplemental information or materials supplied by Franchisor (Franchisor's Operations Manual, as revised, together with any supply catalogues issued by Franchisor or its Approved Vendors, being referred to collectively as the **"Operations Manual"**). The Operations Manual will govern all matters that, in Franchisor's judgment, require standardization and uniformity in all respects, including but not limited to, such matters as operational standards, reporting, decoration, signage, advertising and promotional materials, Franchise decor and golf course appearance (including but not limited to frequency of painting and re-carpeting; specifications and layout of facility and the course and equipment located thereon, including carpet); standards and specifications for equipment and supplies, standards of dress for employees and their training, marketing and advertising, and displays; use and protection of the Marks; and the days and hours of business operation, supervision, customer and employee safety and maintenance. Franchisor shall have the right to revise the Operations Manual at any time and from time to time. Franchisor may also from time-to-time issue to Franchisee information through memoranda concerning operational procedures, proper marketing and maintenance programs, and recommendations to establish goodwill and proper image for public acceptance of each recreational operation that comprises the Franchise. Such memoranda shall constitute and be considered as part of the Operations Manual. Franchisor shall provide Franchisee with access to the current Operations Manual after execution of this Agreement. Franchisee shall use the Marks and the specifications, procedures and standards set forth in the Operations Manual in the manner that Franchisor shall direct.

b. RENOVATIONS AND MODERNIZATION. Franchisee shall have made or will make in a timely manner, such renovations and modernization of the Franchise as Franchisor may reasonably require from time to time, including, without limitation, signs, equipment, furnishings, hole configurations and designs, painting and wallpaper so as to reflect the then-current image of PUTT-PUTT facilities; provided, however, that such requests or requirements shall be made no more often than once every five years. Franchisee acknowledges and agrees that the requirements of this section are necessary to insure continued public acceptance of the System and to maintain the Franchise at the highest degree of safety, cleanliness and operational efficiency, and are both reasonable and necessary to insure the continued public acceptance and patronage of the System. Franchisor reserves the right to require removal by Franchisee of any equipment if determined by Franchisor that the same is detrimental to Franchisor's image and goodwill.

c. AUTHORIZED PRODUCTS AND SERVICES. Franchisee shall offer and sell only products and services as have been expressly approved for sale in writing by Franchisor and must offer all products and services as Franchisor may specify from time to time as required offerings at the Franchise. Franchisee shall discontinue the sale of any products or services which Franchisor has disapproved in writing at any time. Franchisor will determine, in its sole discretion, whether or not to approve any supplier recommended by Franchisee based upon whether such supplier's products conform to Franchisor's standards and specifications and whether such supplier's service and terms of sale are equivalent and competitively priced to those of Approved Vendors.

d. SUPPLIERS AND SOURCING REQUIREMENTS. Franchisor has the right to require that products and services offered by Franchisee, and that suppliers of said products, services and equipment used by Franchisee in the establishment and operation of the Franchise: (i) meet specifications that Franchisor establishes from time to time; and/or (ii) be purchased only from manufacturers, vendors, distributors, and other suppliers that Franchisor has expressly approved ("**Approved Vendors**"). To the extent that Franchisor establishes specifications, requires approval of suppliers, or designates specific suppliers for particular items, Franchisor will notify Franchisee via the Operations Manual or otherwise in writing. For the purpose of this Agreement, the term "**supplier**" shall include, but not be limited to, manufacturers, distributors, resellers, and other vendors. Franchisee recognizes that Franchisor shall have the right to appoint only one supplier for any particular item, and that Franchisor may so designate itself or its affiliate.

e. HOURS OF OPERATION. Unless prohibited by law, Franchisee shall open and operate daily in accordance with the Operations Manual of the Franchise licensed hereunder.

f. TECHNOLOGY. Franchisor shall specify or require that certain brands, types, makes, and/or models of computer systems, software, hardware and other technology systems be used by Franchisee, including without limitation: (a) game management, point of sale, and back office systems, data, audio, and video systems for use at the Franchise; (b) physical, electronic, and other security systems; (c) printers and other peripheral devices; (d) archival back-up systems; (e) communication systems (including without limitation email and phone systems); and (f) Internet access mode and speed (collectively, the "**Technology System**"). Franchisor may also designate: (i) software programs that Franchisee must use in connection with the Technology System ("**Required Software**"), which Franchisee shall install; (ii) updates, supplements, modifications, or enhancements to the Required Software, which Franchisee shall install; (iii) the tangible media upon which such Franchisee shall record data; (iv) the database file structure of the Technology System; and (v) additional Technology Systems or enhancements to the Technology Systems.

11. MANAGEMENT.

a. OPERATING PRINCIPAL. Franchisee covenants that during the term of this Agreement, Franchisee must appoint an individual owner as its "**Operating Principal**" who has at least a 10% equity

interest in Franchisee and has the authority to bind Franchisee in all dealings with Franchisor. The Operating Principal as of the date of this Agreement is specified on **Schedule 1**. Prior to the opening of the Franchise, the Operating Principal must attend and successfully complete, to Franchisor's satisfaction, the initial training program offered by Franchisor, pursuant to **Section 8(a)**.

b. GENERAL MANAGER. Franchisee must also appoint a general manager to manage the day-to-day business of the Franchise (the "**General Manager**") who must personally conduct on premises supervision of the Franchise on a full-time basis. Franchisee's Operating Principal may serve as its General Manager. Franchisee must provide Franchisor with written notice of its General Manager at least 14 days prior to initial training. Prior to the opening of the Franchise, the General Manager must attend and successfully complete, to Franchisor's satisfaction, the initial training program offered by Franchisor, pursuant to **Section 8(a)**.

c. REPLACEMENT MANAGEMENT. If the Operating Principal resigns or is no longer a 10% equity owner of the Franchisee or if the General Manager ceases active management of the Franchise, Franchisee must appoint a new Operating Principal or hire a new General Manager (as the case may be). The new Operating Principal or General Manager may be required to undergo an initial training program that is prescribed by Franchisor under Section 8(b), which may include training at the Franchise, another Franchise or such other place as Franchisor shall designate. Franchisee will immediately notify Franchisor in the event of a change in Operating Principal or General Manager. Upon notification of such change, Franchisee will have 30 days to schedule appropriate training as required under Section 8(b).

d. BACKGROUND CHECKS. Franchisee must perform background checks in accordance with the Fair Credit Reporting Act on all employees that it hires.

12. FEES.

a. FRANCHISE FEE. Contemporaneously with the execution of this Agreement, Franchisee shall pay to Franchisor an initial, non-refundable Franchise Fee of (i) \$20,000 for the right to construct and operate a "**Level One Franchise**", as described on Schedule 1; (ii) \$30,000 for the right to construct and operate a "**Level Two Franchise**", as described on Schedule 1; or (iii) \$50,000 for the right to construct and operate a "**Level Three Franchise**", as described on Schedule 1.

b. ROYALTY FEE. During the term of this Agreement, Franchisee shall pay Franchisor a royalty fee in the amount of 5% of the **Gross Receipts** (defined below) of the Franchise (the "**Royalty Fee**").

For the purpose of this Agreement, the term "**Gross Receipts**" shall, except as otherwise provided below, means the total monies received from the operation of your Putt-Putt Franchise, including, among others, receipts from all ticket sales and other receipts, fees and charges of any nature for use of the attractions, the amusement machines, recreational and sporting equipment, and/or amusement devices located at the Franchise, the sale of food or drink products or other items sold from concession units, or products or services otherwise sold at the Franchise; Gross Receipts also include total gross arcade game revenue (per machine) prior to any rev-share splits; and Gross Receipts includes monies received from birthday party and/or other group business which uses the Franchise at a special rate, less applicable sales taxes which are required by law to be paid, and are paid, over directly to a governmental authority. The total of the Gross Receipts is not to be reduced by amounts expended for the purchase, lease, payment of commissions and/or maintenance of amusement machines, recreational and sporting equipment, and/or amusement devices, nor for any operating costs or any other expenses incurred by you.

c. MARKETING FEE. During the term of this Agreement, including any successor term, Franchisee shall also pay to Franchisor's affiliate, Putt-Putt Marketing, Inc. ("**PPM**"), or such other

replacement marketing fund designated by Franchisor, a marketing fee in the amount of 1% of the gross receipts of the Franchise (the “**Marketing Fee**”). PPM and/or its designee is not required to spend any amount on advertising within Franchisee’s Protected Territory or to ensure that Franchisee benefits from expenditures from the fund in proportion to its contribution. Marketing Fees collected but not spent during the current fiscal year are carried over to the following fiscal year. PPM or its designee shall have sole discretion over the expenditures of the marketing fund. Nothing herein shall create a fiduciary relationship between Franchisee and PPM and/or its designee.

d. ADDITIONAL FEES. At all times during the term of this Agreement, Franchisee shall also promptly pay to Franchisor, upon demand, an amount equal to all fees, assessments, charges and taxes (not including Franchisor’s income taxes) levied or assessed, imposed upon Franchisor or required to be collected or paid by Franchisor by reason of furnishing or permitting the use of products, intangible property or rights (including the Intellectual Property) or services by Franchisor to Franchisee through the sale, license or lease of property or property rights or programs provided by this Agreement, or for any other reason resulting or arising from this Agreement.

e. PAYMENT OF FEES. Franchisee shall permit Franchisor to withdraw Royalty Fees, Marketing Fees and other amounts due to Franchisor from a bank account maintained by Franchisee which permits direct withdrawals by Franchisor on the due date for such payments as specified in the Operations Manual. If Franchisee fails to make any such payment, Franchisor may give Franchisee prior written notice of its calculations of gross receipts, Royalty Fees and Marketing Fees (the “**Fee Report**”) and may withdraw Royalty Fees and Marketing Fees based upon the calculations provided in its Fee Report; provided, however, Franchisee shall have two days after its receipt of the Fee Report within which to object to the calculations made by Franchisor, such notice to describe in detail the reasons for its objection. Franchisee shall maintain sufficient funds in such bank account to permit Franchisor to withdraw the Royalty Fees and Marketing Fund due from time to time. Nothing herein contained shall prevent Franchisor from demanding that payments of Royalty Fees and/or Marketing Fund be mailed or otherwise delivered to Franchisor.

f. LATE PAYMENT FEES AND INTEREST. All late payments that are made by Franchisee under this Agreement shall be considered overdue. Franchisee agrees that for each late payment, a late fee of \$100.00 (which amount may be increased by Franchisor upon 60 days prior written notice) will be added to the payment. Franchisee shall also pay interest on all late payments and other amounts due Franchisor under this Agreement at the rate of 1½% per month or the highest rate allowed under applicable law, whichever is less. Interest will accrue from the date on which the payment or other amount is due until the date paid.

13. REPORTING AND RECORDKEEPING.

a. REPORTING. Franchisee shall complete in full and transmit on a weekly basis the information contained in the standard reporting forms, which may be modified from time to time, as required by Franchisor (herein collectively, the “**Reporting Forms**”). The Reporting Forms shall list, and Franchisee shall record separately, the business activity for each of the Permitted Attractions, including all Franchisee’s gross receipts as defined in Section 11 of this Agreement for the preceding day. Each Permitted Attraction authorized by Franchisor and added to the Franchise during the term of this Agreement shall be added to the Reporting Form beginning on the opening day of such Permitted Attraction. Franchisee agrees to complete and send to Franchisor on a weekly basis the Reporting Form in the manner required by Franchisor. If Franchisee fails to submit any statement, form, report or record within 5 days after the date required, Franchisee shall pay to Franchisor upon demand a late report charge of \$25.00 per report (which amount may be increased by Franchisor upon 60 days prior written notice), which payment shall not limit in any way Franchisor’s rights or remedies arising as a result of such failure by Franchisee.

b. ACCOUNTING RECORDS. Franchisee shall submit to Franchisor, within 60 days following the close of each calendar year, a statement of gross receipts for the Franchise licensed hereunder for the preceding calendar year prepared by a certified public accountant (“**Accounting Statement**”), and make available to Franchisor, upon request, a copy of any accounting between Franchisee and its suppliers or lessors of any amusement, recreational and/or sporting machines or devices, to further substantiate the gross receipts of such Franchise.

c. BOOKS AND AUDITS. Franchisee shall maintain complete books and records of all accounts, receipts, sales totals and all other related business transactions and shall provide all reports required in this Agreement. Franchisee further agrees to have copies on record of all reports that were sent to Franchisor pursuant to this Agreement. Franchisor or its representative shall have the right to examine Franchisee’s books and records at any time during normal business hours both during and after the term of this Agreement. If any inspection or audit of Franchisee’s books reveals that the gross receipts are under reported, then Franchisee shall be in default, and Franchisee shall pay Franchisor immediately the fees owing based on the correct gross receipts, plus interest thereon and late payment fees, as above provided. If the gross receipts reported are less than the actual gross receipts by 2% or more, then Franchisee shall pay the costs of such audit. If the gross receipts reported are less than the actual gross receipts by 2% or more on two or more occasions within any two-year period, Franchisor shall have the right to terminate this Agreement.

d. ADDITIONAL INFORMATION. Franchisor may from time to time require information about Franchisee’s financial condition, earnings, sales, profits, costs, expenses and performance to provide a basis for providing prospective franchisees of Franchisor with information concerning actual or potential earnings or to comply with applicable laws and regulations governing the sale of franchises. Franchisee shall provide such information promptly when so requested by Franchisor, and Franchisee shall certify that such information is true and complete in all material respects.

14. ADVERTISING. At Franchisor’s request, Franchisee shall spend an amount that is up to 5% of Franchisee’s gross receipts on advertising and promotion of a local nature. For all advertising that Franchisee intends to use that has not been previously approved or provided by Franchisor, Franchisee shall submit samples to Franchisor for Franchisor’s review and prior written approval if so requested by Franchisor. If Franchisor has requested submission of samples of advertising for prior review and approval, and written approval is not received by Franchisee from Franchisor within 30 days of the date of receipt by Franchisor of such samples, Franchisor shall be deemed to have disapproved them. Franchisee shall follow all of Franchisor’s policies and procedures in the offer, promotion, and sale any products or services under the Marks through the Internet, including the use of websites, domain names, uniform resource locators, keywords, linking, search engines (and search engine optimization techniques), banner ads, meta-tags, marketing, auction sites (collectively, “**e-commerce**”). Franchisee shall be bound by any terms of use, privacy policy and copyright notice and takedown policies and the like that Franchisor establishes from time to time. Any approval previously granted by Franchisor with respect to any advertising or the use of e-commerce may be revoked upon reasonable advance notice by Franchisor to Franchisee.

15. INSURANCE.

a. POLICIES. Franchisee shall obtain, at its sole cost and expense, prior to opening the Franchise, and shall maintain in full force during the term of this Agreement, a policy or policies of insurance providing the coverage required below. Franchisee shall be the primary insured and the policy must state that Franchisee is the primary insured. Such policy or policies shall be written by an insurance company or companies having at least an A Rating and Franchisor and its officers, directors, employees, agents, and shareholders shall be additional named insureds in all such liability policies. The fire and public liability insurance set forth below shall be procured prior to commencement of the construction of the Franchise.

All policies of insurance shall be on an occurrence basis when possible, subject to no deductibles and properly endorsed to cover the contractual and indemnity obligations of Franchisee under this Agreement.

(1) Fire and Extended Coverage Property Liability Insurance with a \$1,000,000 coverage, and \$75,000.00 for contents, or an amount not less than full replacement value of the Franchise.

(2) Business Interruption coverage with minimum coverage of not less than \$75,000. If insurance proceeds are paid to Franchisee for a business interruption, that amount shall be included in gross receipts upon which a Royalty Fee and other fees shall be paid as herein provided.

(3) Workers' Compensation, as well as such other insurance, and in such amounts as may be required by statute or rule of the state in which the Franchise is located.

(4) Comprehensive General Public Liability Insurance, including products liability coverage with a combination of primary and excess limits of not less than \$2,000,000 per occurrence.

(5) Automobile Liability Insurance, including coverage for vehicles not owned by Franchisee but used by employees in connection with the Franchise, with a combination of primary and excess limits of not less than \$1,000,000.

Franchisor shall have the right to increase the minimum insurance amounts set forth in this section upon 30 days prior notice to Franchisee. All policies provided in connection with this Agreement shall be subject to the reasonable satisfaction of Franchisor.

b. FAILURE OF COVERAGE. If any of the insurance policies described above are not in place or Franchisee fails to maintain the policies, Franchisor shall have the right, but not the obligation, to obtain the required insurance coverage and Franchisee shall reimburse Franchisor for all premiums paid or any amount that was needed to retain the insurance coverage. In addition to all other rights and remedies available to Franchisor, if Franchisee's insurance coverage required hereunder shall be, at any time, terminated or canceled, Franchisee will not open or operate any Permitted Attraction whatsoever on the Designated Location of the Franchise until such time as the required insurance coverage has been obtained and is in effect.

c. MISCELLANEOUS. No later than 30 days prior to the commencement of construction of the Franchise, Franchisee shall provide Franchisor with a certificate evidencing the insurance required by this section to be in effect. The certificate required by this section shall include a statement that the policy or policies required by this section shall not be canceled or materially altered without at least 30 days prior written notice to Franchisor. Franchisee's obligation to maintain insurance as set forth in this section shall not limit any insurance that may be maintained by Franchisor, nor shall Franchisee's maintenance of such insurance relieve or otherwise affect its liability under the indemnity or other provisions of this Agreement. In addition, each of the policies required by this section shall be delivered to Franchisor upon Franchisor's request. No insurance policy or coverage maintained by Franchisee shall relieve Franchisee of any liability or obligation under the other provisions of this Agreement, including, without limitation, the indemnification provisions hereof. Franchisee acknowledges that no requirement for insurance contained in this Agreement shall be considered or otherwise constitute any representation by Franchisor that such policies or amounts shall protect Franchisee from losses incurred in connection with the operation of the Franchise or Franchisee's business in connection therewith.

16. LAWFUL OPERATION; COMPLIANCE WITH PRIVACY LAWS.

Franchisee shall promptly honor all of its leasehold commitments and/or debt obligations, if any. Franchisee shall further satisfy and comply with all applicable laws, rules, orders, ordinances, regulations

and other requirements of any federal, state, county, municipal or other governmental agency, including prompt payment of any taxes levied, and shall further obtain all necessary permits and licenses for the operation of its business. Franchisee shall be solely responsible for seeing that the Designated Location and the Franchise are in full compliance with all applicable provisions of the Americans With Disabilities Act and all regulations promulgated in connection therewith.

Franchisee further represents and warrants that it will operate its business at all times in compliance with all applicable consumer protection, data protection, privacy and cybersecurity laws, including but not limited to the Regulation 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the Processing of Personal Data and on the free movement of such data (the General Data Protection Regulation), the California Consumer Privacy Act of 2018 (as amended and pursuant to regulations promulgated thereunder), the Telephone Consumer Protection Act of 1991, the Controlling the Assault of Non-Solicited Pornography and Marketing Act, the Telemarketing Sales Rule and the Junk Fax Prevention Act, any regulations related thereto, and similar international, federal, state and local privacy-related and telemarketing-related laws, rules, regulations and ordinances (collectively, the “**Data Protection Laws**”).

17. COVENANTS NOT TO COMPETE.

a. IN-TERM COVENANT. Franchisee agrees that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee shall not within the Restrictive Areas (described below), either directly or indirectly, for himself, or through or on behalf of any other person or entity, in competition with Franchisor, own, maintain, engage in or otherwise have a controlling interest in any business offering the same or similar products and services as the business licensed to Franchisee by Franchisor under this Agreement. For purposes of this Agreement, the “**Restricted Areas**” shall mean:

(i) The area within ten miles of the Franchise; and

(ii) All of those areas within a radius of ten miles of: (a) each other facility owned, operated or licensed by Franchisor utilizing any Mark; and (b) each facility owned, operated or licensed by Franchisor developed subsequent to the date of this Agreement that utilizes any Mark.

b. POST-TERM COVENANT. Franchisee agrees that for a period of two-years following the expiration or termination of this Agreement, regardless of reason or cause, except as otherwise approved in writing by Franchisor, Franchisee shall not within any of the Restricted Areas, either directly or indirectly, for himself, or through or on behalf of any other person or entity, in competition with Franchisor, engage in any act prohibited by subsection (a) hereof.

c. NON-SOLICITATION. Franchisee agrees that both during the term and for a period of two-years following the expiration or termination of this Agreement, regardless of reason or cause, Franchisee shall not directly or indirectly divert, solicit, or attempt to divert or solicit any customer or vendor of any Putt-Putt Franchised Business to any business offering the same or similar products and services as the business licensed to Franchisee by Franchisor under this Agreement.

d. OWNERS. Franchisee shall require each holder of 10% or more of the ownership interests in Franchisee to execute and deliver a written covenant against competition in which he/she agrees to the terms of Section 16 (a) through (c) hereof. At Franchisor’s request, all officers, members, directors and holders of ownership interests of Franchisee and any other individual as required by Franchisor shall execute and deliver an agreement reasonably satisfactory to Franchisor to effectuate the non-competition provisions of this Agreement.

e. **ACKNOWLEDGMENTS.** Franchisee acknowledges and agrees that the time, territory and scope of the covenants provided in this section are reasonable and necessary for the protection of Franchisor's legitimate business interests; that it has received sufficient and valid consideration in exchange for those covenants; that enforcement of the same would not impose undue hardship on it; and that the period of protection provided by these covenants shall not be reduced by any period of time during which Franchisee is in violation of the provisions of those covenants or any period of time required for enforcement of these covenants.

18. TERMINATION.

a. **TERMINATION BY FRANCHISOR—WITH NOTICE.** In addition to any other rights of termination hereinbefore granted whether such remedies be at law or in equity, Franchisor shall have the right to terminate Franchisee's license granted hereunder upon the occurrence of any one of the following events of default, provided that Franchisee has not remedied such default within 30 days of receipt of Franchisor's written notice of such default.

(1) Failure of Franchisee to modify or renovate within a timely manner the Franchise licensed hereunder in strict compliance with plans approved by Franchisor, together with placement of a standard highway sign(s) and other uniform identity sign(s) designated and approved by Franchisor; failure to install and use Franchisor approved music and public address system, course lighting and fencing; or failure to install and use of the "color light system" on the Franchise in the way and manner prescribed by Franchisor.

(2) Except as set forth in Section 17(b)(9) hereof, failure of Franchisee to file all required reports or to promptly pay all moneys owing under the terms of this Agreement when the same shall become due and payable.

(3) Failure of Franchisee to maintain the standards, specifications and procedures of operation as set forth in Franchisor's Operations Manual or failure to follow operational guidelines, whether contained therein or in any other written document furnished to Franchisee.

(4) A failure by Franchisee as described in Section 13(b)(6) hereof.

(5) Failure of Franchisee to comply with any of the other terms and provisions of this Agreement which are not specifically otherwise addressed in Section 17(b) below.

Notwithstanding the foregoing, if any non-monetary default shall have occurred which Franchisee shall not have been able to cure within 30 days after exercise of all diligence, the time to cure may be extended for such reasonable period as shall be necessary under the circumstances, in Franchisor's sole discretion, to permit Franchisee to continuously and diligently pursue such curative action to completion.

b. **TERMINATION BY FRANCHISOR—WITHOUT OPPORTUNITY TO CURE.** Franchisee shall be deemed in default hereunder and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder immediately, upon notice but without the opportunity to cure (except as required by law), upon the following events:

(1) Franchisee becomes insolvent, meaning unable to pay its bills in the ordinary course of business as they become due.

(2) Any failure of Franchisee to comply with or any breach under the same provisions of this Agreement which takes place two or more times within any consecutive 12-month period.

- (3) Failure of Franchisee to begin or complete construction and open the Franchise by the designated times specified in this Agreement.
- (4) Franchisee's use of the Marks in a manner which has not been approved by Franchisor, or any misuse of confidential information or trade secrets.
- (5) Failure of Franchisee to comply with any of the covenants not to compete set forth in Section 16 hereof.
- (6) Failure of Franchisee to maintain possession of the Designated Location, including, without limitation, cancellation of the lease or non-renewal of the lease for the Designated Location in which the Franchise is located.
- (7) Franchisee's purported transfer of any rights or obligations arising under this Agreement to a third party without Franchisor's prior written consent or in a manner inconsistent with the terms of this Agreement.
- (8) Franchisee abandons the Franchise or fails to operate the Franchise for more than five consecutive days, unless otherwise approved in writing by Franchisor.
- (9) There are underpayments by Franchisee of the Royalty Fee or Marketing Fee as set forth in the last sentence of Section 12(c) hereof.
- (10) Franchisee is in breach of, or otherwise in default under, any other agreement between Franchisee and Franchisor or any affiliate of Franchisor, such that Franchisor would have the right to terminate such agreement.
- (11) Franchisee is in breach of or otherwise in default under any other agreement related to the Designated Location or the operation of the Franchise or Franchisee's business under this Agreement.
- (12) Franchisee has acted fraudulently in connection with this Agreement or the operation of Franchisee's Franchise.

c. CEASING LICENSURE OF ATTRACTION BY FRANCHISOR. Franchisor may terminate this Agreement as to any Permitted Attraction at such time as Franchisor makes a decision to cease licensing such attraction to third parties. The termination shall be effective upon 120 days prior written notice.

d. FRANCHISEE'S OBLIGATIONS UPON EXPIRATION OR TERMINATION. Upon expiration or termination of the License granted hereunder:

- (1) Franchisee shall immediately discontinue any use of the Intellectual Property, including, without limitation, the Marks, the Operations Manual, confidential information and trade secrets.
- (2) Franchisee shall cause the color scheme of the Designated Location to be changed from Franchisor approved colors and designs to some other scheme which, in Franchisor's sole opinion, is not confusingly similar.
- (3) Franchisee shall immediately make such changes in signs, buildings and structures, fixtures and otherwise, including but not limited to changes in distinctive facia or exterior lighting, in uniform of personnel and unique building structures, as in Franchisor's discretion are required to distinguish the

Designated Location from the former appearance in design, decor, style and the other distinctive characteristics of PUTT-PUTT facilities.

(4) Franchisee shall deliver and return to Franchisor the Operations Manuals, training and promotional materials, and any and all other written or printed manuals and materials furnished to Franchisee under and pursuant to this Agreement.

(5) Franchisee shall cease and desist from using the designated "Colored Light System" as designed and utilized in all miniature golf attractions. Franchisee shall not make announcements over its public address system which awards discount tickets or free passes in connection with the "Colored Light System", which constitutes part of the trade dress and is proprietary to Franchisor.

(6) Franchisee shall cease and desist from issuing and redeeming any type or style of PUTT-PUTT tickets, free passes and/or discount tickets, and any other type or style of tickets or passes on which any Mark is imprinted.

(7) Franchisee shall file an amendment of any registration of its entity name, assumed name or trade name that include any Mark with the appropriate state authority to remove such designation.

(8) Franchisee recognizes that the unique design and style of each of the copyrighted designs are owned by Franchisor and that Franchisee has used Franchisor's copyrights to build its putting course and facilities. Franchisee agrees that it shall change the putting holes and facilities so that they shall not be substantially similar to the Putting Course Designs and any other copyrighted designs. Franchisee agrees that Franchisor shall be the final arbiter to approve or disapprove all such changes.

(9) Franchisee shall comply fully with any and all provisions in agreements between Franchisee and Approved Vendors that are effective upon termination or cancellation of this Agreement, including but not limited to removal of products, equipment or machinery which is proprietary to Franchisor.

(10) Franchisee shall promptly pay all moneys due and owing under the terms of this agreement at the time of its expiration or termination by Franchisor.

(i) Franchisee acknowledges and confirms that by granting Franchisee the Franchise to operate the Franchise in the Protected Territory, Franchisor lost the opportunity to grant a Franchise for the Protected Territory to another person or entity or itself own and operate a Franchise within the Protected Territory. Additionally, Franchisee confirms that Franchisor will suffer substantial damages by virtue of the termination of this Agreement, other than pursuant to Section 17(f), including, without limitation, lost Royalty Fees, lost Marketing Fees, lost market penetration and goodwill in the Protected Territory, lost opportunity costs and the expense Franchisor will incur in developing another Franchise for the Protected Territory, which damages are impractical and extremely difficult to ascertain and/or calculate accurately, and the proof of which would be burdensome and costly. Upon termination of this Agreement prior to the expiration of the term hereof, other than pursuant to Section 17(f), then, in addition to all requirements of Franchisee specified in this Section 17(d), Franchisee shall also pay Franchisor, as liquidated damages, and not as a penalty, and in lieu of paying Franchisor for its lost Royalty Fees and Marketing Fees for the period after the termination of this Agreement, an amount equal to the average monthly Royalty Fees and Marketing Fees paid or due with respect to the Franchise during the 36 month period immediately prior to the termination (however, if the Franchise has not been open for at least 36 months, the average monthly amount of Royalty Fees and Marketing Fees payable to Franchisor for the months during which the Franchise has been open) multiplied by the lesser of (i) 60, or (ii) the number months remaining in the initial term of this Agreement, and then discounted to present value. The parties acknowledge and agree that such

amount represents a fair and reasonable estimate of Franchisor's foreseeable losses as a result of such termination, and is not in any way intended to be a penalty.

(ii) Notwithstanding any other provision of this Agreement, if the foregoing liquidated damages formula is unenforceable or void for any reason, Franchisee shall pay Franchisor, in lieu of liquidated damages, Franchisor's lost future profits which are caused by the loss of monthly Royalty Fees and Marketing Fees. Franchisee waives any duty on the part of Franchisor to mitigate any damages caused by the loss of future Royalty Fees and Marketing Fees, by Franchisee breaching this Agreement, or by Franchisee allowing an event of default to occur.

(11) Franchisor may, but shall be under no obligation to, take such action on behalf of Franchisee as shall be necessary to comply with the terms and provisions of this Agreement and to charge Franchisee all costs and expenses related to such action. Franchisor shall also have the right to enter the Designated Location, without being deemed in violation of any statute or common law, to effectuate the terms and provisions of this Agreement.

(12) Franchisee shall comply with the post-term non-competition covenants contained in Section 16 hereof.

(13) In the event that Franchisee fails or refuses to comply with the requirements of subparagraphs (1), (2), (3), (5), (8) or (9) above, Franchisor shall have the right to enter upon the premises without being liable for trespassing or any other tort for the purpose of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee shall pay to Franchisor upon demand.

e. OPTION TO PURCHASE. Franchisor shall have the right upon termination or expiration of this Agreement regardless of reason or cause, to purchase any or all improvements, advertising, equipment, furniture, fixtures and other related items Franchisee uses in the operation of the Franchise. Such option shall be exercised by provision of notice within 30 days after termination or expiration. The purchase price shall be the depreciated book value as determined by an independent auditor designated by Franchisor of any such assets purchased by Franchisor, with the cost of such audit shared equally by Franchisor and Franchisee. If Franchisor elects to exercise the option set forth in this section, it shall have the right to offset all amounts due Franchisor hereunder by the cost of purchase price of assets to be purchased by Franchisor. Franchisee agrees to execute and deliver a Bill of Sale and any and all other documents as shall be necessary to effectuate the provisions of this section.

f. TERMINATION BY FRANCHISEE. If Franchisee is in full compliance with this Agreement and Franchisor materially fails to comply with this Agreement and does not cure such failure within 30 days after written notice of such material failure is delivered to Franchisor by Franchisee, then Franchisee may terminate this Agreement; provided, however, if such failure cannot reasonably be cured within such 30-day period and Franchisor begins and continuously acts in good faith to cure such failure until completion, Franchisor shall not be deemed to have failed to comply with this Agreement. Franchisee's termination of this Agreement for any other reason and without such notice shall be a violation of this Agreement.

19. CURE OF BREACH BY FRANCHISOR.

In addition to all other remedies, Franchisor shall have the option but shall be under no obligation, to cure any failure to perform, breach or default by Franchisee under this Agreement or any lease, mortgage or other agreement pertaining to this Agreement, the Franchise, the Designated Location, or the improvements, fixtures or equipment located at the Designated Location. Any moneys expended by Franchisor to satisfy such nonperformance, breach or default may be declared immediately due and payable

by Franchisee to Franchisor together with interest as permitted in this Agreement. Franchisee further agrees to exert its best efforts to include provisions in such leases, mortgages or other agreements affecting the Designated Location, the Franchise or improvements, fixtures and equipment thereon requiring notice to Franchisor of nonperformance, breach or default by Franchisee and the right to cure as herein provided.

20. RIGHT OF FIRST REFUSAL.

If Franchisee has received a bona fide offer from a third party to purchase from Franchisee, the Designated Location, the Franchise or any interest therein and Franchisee desires to accept such offer, Franchisee shall notify Franchisor in writing of such offer and Franchisor shall have the irrevocable first right and option, for a period of 30 days from the date of such notice to Franchisor, to give notice to Franchisee that Franchisor intends to purchase from Franchisee, the Designated Location, the Franchise or the interest therein being sold on the same terms and conditions offered by a third party. Franchisee shall submit to Franchisor a copy of the bona fide written offer, or if none, a statement in writing of all the terms and conditions of the proposed sale and the identity of, and any and all information Franchisee may have about, the proposed purchaser. Upon request of Franchisor, Franchisee shall also deliver to Franchisor such financial and other information as Franchisor may reasonably request concerning Franchisee and its operation of the Franchise. Closing of such purchase shall take place within 60 days after Franchisor's notice of the exercise of its option. If Franchisor fails to exercise its option and the proposed transaction with the third party does not take place within 120 days thereafter, Franchisee shall again be subject to the terms and provisions of this section. If the bona fide offer includes property or terms other than cash (as consideration, security or otherwise), the parties recognize that it may be impossible or impractical for the Franchisor to provide such identical property or terms to match the bona fide offer. In such case, Franchisor shall have the option to provide cash or property of equivalent value to Franchisee which shall be reasonably calculated to furnish the Franchisee with the same economic benefit, and the provision of the same shall be deemed to match the bona fide offer. In all events, any transfer by Franchisee shall continue to be subject to the provisions of Section 20 hereof regarding assignment.

21. ASSIGNMENT.

a. ASSIGNMENT BY FRANCHISOR. Franchisor may assign this Agreement or any and all of its rights hereunder at any time without the consent of Franchisee. If Franchisor's assignee assumes all obligations of Franchisor hereunder, Franchisor and its affiliates shall be released from any further liability hereunder and Franchisee agrees to promptly execute a release to that effect except for any liabilities of Franchisor or its affiliates claimed by Franchisee and specifically identified by Franchisee prior to the date of such notice. In addition, Franchisor has the right at any time, and from time to time, to delegate the performance of any portion or all of its obligations or duties under this Agreement.

b. ASSIGNMENT BY FRANCHISEE. Franchisee acknowledges that the rights and duties under this Agreement are personal to Franchisee and that Franchisor has granted this license in reliance on Franchisee's business skill and financial capacity. Neither Franchisee, nor its heirs, successors, assigns, executors or personal representatives may, without Franchisor's prior written consent and compliance with the requirements set forth below, by operation of law or otherwise, sell, assign, lease, transfer, convey, pledge, mortgage or otherwise encumber or transfer any interest in this Agreement, the Designated Location, the Franchise or any controlling interest in Franchisee. Any proposed prohibited assignment or transfer by Franchisee, or its shareholders, members, partners or other owners, without the prior written consent of Franchisor and compliance with the requirements set forth below shall be void and any such attempt to assign or transfer shall give Franchisor the right to terminate this Agreement without notice or opportunity to cure. Franchisee agrees to notify Franchisor in writing of any change in ownership interests in the Franchise which constitutes a 10% percent or more change in ownership. Any change of or accumulation of changes totaling a 50% interest will be considered a transfer, and requires the written

consent of Franchisor. Death or permanent incapacity of an individual Franchisee or of the individual holding the controlling interest in Franchisee shall also be considered an assignment or transfer requiring Franchisor's consent. Franchisor shall not unreasonably withhold its consent to any transfer; provided, however, that prior to the time of transfer:

- (1) Franchisee shall have complied with Section 19 hereof.
- (2) Franchisee's assignee must submit supportive data demonstrating to Franchisor that it meets or exceeds the financial standards and managerial skills in effect at the time to own and operate the Franchise.
- (3) Franchisee must be in full compliance with this Agreement and all other agreements with Franchisor.
- (4) Franchisee shall have executed a general release and all other transfer documents reasonably acceptable to Franchisor to evidence that Franchisee shall remain liable under this Agreement as if it had terminated.
- (5) The proposed transferee shall have met all of Franchisor's current criteria for new Franchisees and executed an agreement reasonably satisfactory to Franchisor assuming all obligations of Franchisee under this Agreement.
- (6) Assignee shall pay the transfer fee then being charged by Franchisor.
- (7) Assignee shall execute the then-current Franchise Agreement (and such other then-current ancillary agreements as Franchisor may reasonably require) which shall expire on the date of the expiration of this Franchise Agreement, and shall be renewable, at its expiration, only by the execution of a new then-current standard form of Franchise Agreement for a standard successor term. The then-current Agreement may contain terms materially different than those contained herein, including, without limitation, changes in performance standards, higher Royalty Fees, Marketing Fees and other fees and other provisions.
- (8) Assignee shall agree to all renovations and modernizations of the Franchise as Franchisor may require, as set forth in this Agreement.
- (9) The proposed assignee will agree to a training period, which will take place at the Franchise, and such training shall be for a period of time deemed necessary by Franchisor. Franchisor, or a representative assigned by Franchisor, shall be responsible for the training. All expenses incurred in connection with the training, such as lodging, meals, and travel will be at the expense of the assignee.
- (10) Upon Franchisor's request, Franchisee shall promptly furnish to Franchisor copies of the formation documents of the proposed assignee and other documents relating to the proposed assignee and assignment as shall otherwise be reasonably requested from time to time by Franchisor. Further, all equity owners of the proposed assignee shall execute personal guarantees, in form and substance reasonably satisfactory to Franchisor, by which such individuals fully and unconditionally guarantee the prompt payment and performance by Franchisee under this Agreement, and shall execute and deliver confidentiality agreements as set forth in Section 33 hereof.

Franchisor reserves the right to waive any one or more of the foregoing requirements, in its sole discretion.

c. DEATH OR INCAPACITY. In the event of death or incapacity of an individual holding a controlling interest in Franchisee, Franchisor shall not unreasonably withhold its consent to the transfer of

such person's interest of Franchisee to Franchisee's spouse, heirs or appointed guardians, either by a will, intestate succession or a court of law, provided that the requirements in Section 20(b) are met. If the spouse, heirs or appointed guardians of Franchisee do not obtain the consent of Franchisor, they shall have up to 180 days to sell the interests of Franchisee, and such a sale shall be subject to the conditions for transfer under this Agreement.

d. Franchisee acknowledges that the purpose of the restrictions on transfer under this Agreement are to protect the Intellectual Property and Franchisor's goodwill and agrees that such restrictions are reasonable.

22. INDEMNIFICATION.

Franchisee shall, to the fullest extent permitted by law, indemnify, defend and hold harmless Franchisor, and its officers, employees, directors, shareholders and agents, from and against any and all claims, actions, judgments, liabilities, penalties, damages, fines, interest, clean-up costs and other pollution related items, costs and expenses, including, without limitation, reasonable attorney's, accountant's and consultant's fees, arising in any way out of or resulting, directly or indirectly, from (whether the claim is asserted by Franchisor or a third party): (i) the operation of the Franchise, (ii) Franchisee's breach of this Agreement including, without limitation, its obligation to comply with all laws under Section 15, or (iii) any false or misleading representation or warranty by Franchisee under or in connection with this Agreement. This Section 21 shall survive the expiration or termination of this Agreement.

23. RELATIONSHIP OF THE PARTIES.

In all matters pertaining to the operation of the Franchise, Franchisee is and shall remain an independent contractor. No employee of Franchisee shall be deemed to be an employee of Franchisor. Nothing herein contained shall be construed so as to create a partnership, joint venture or agency between Franchisor and Franchisee or to give Franchisor any proprietary interest in the business of Franchisee except as provided herein, and neither party hereto shall be liable for the debts and obligations of the other. It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them.

24. NOTICES.

All notices permitted or required by this Agreement to be given to a party shall be in writing and addressed to such party at the following address:

If to Franchisor:

Putt-Putt, LLC
1414 Raleigh Road, Suite 410
Chapel Hill, North Carolina 27517

and if to Franchisee, the address specified on **Schedule 1**, unless a different address or facsimile number shall have been designated by the respective party by notice in writing in accordance herewith. Any notice given hereunder shall be deemed given when delivered by hand, one business day after being transmitted by facsimile or three days after being deposited in the United States mail, postage prepaid, certified mail (return receipt requested).

25. RESOLUTION OF DISPUTES.

You and we agree that venue and jurisdiction for any Claims, except those required to be submitted to arbitration, shall be proper solely in the state and federal court nearest to our corporate headquarters, presently located in Chapel Hill, North Carolina.

26. GOVERNING LAW.

Except as to claims governed by federal law, North Carolina law governs all claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties (“Claims”). However, no laws regulating the sale of franchises or governing the relationship between franchisor and franchisee shall apply unless the jurisdictional requirements of such laws are met independently of this paragraph.

27. JURY WAIVER

In any trial between any of the parties as to any Claims, you and we agree to waive our rights to a jury trial and instead have such action tried by a judge.

28. CLASS ACTION WAIVER

You agree to bring any Claims, if at all, individually and you shall not join such claim with claims of any other person or entity or bring, join or participate in a class action against us.

29. LIMITATION OF DAMAGES

Franchisee and Franchisor each waive, to the fullest extent permitted by law, any right or claim for any punitive or exemplary damages against the other.

30. WAIVER.

Waiver by Franchisor of enforcement or default or breach of any provision of this Agreement shall not constitute a waiver of any successive default or breach of any other provision hereof. In addition, the parties hereto, to the fullest extent permitted by law, waive the right to any consequential, special, punitive, or exemplary damages against each other and the right to bring, or be a class member in, any class action suits or arbitration proceedings.

31. COSTS OF ENFORCEMENT.

Franchisee agrees to pay, reimburse, or indemnify Franchisor for any costs incurred by Franchisor, including reasonable attorneys’ fees, in the enforcement of any provision of this Agreement.

32. MODIFICATIONS.

Franchisee acknowledges that Franchisor may from time to time and at its sole discretion make changes to any aspect of its System and/or the provisions of the Operations Manual including, without limitation, techniques, operational methods, new, changed or additional names, logos, systems, reporting methods, furnishings, signs, equipment and procedures, and as changed, it shall remain the System or the Operations Manual, as the case may be, referred to in this Agreement.

33. FRANCHISE VARIATIONS.

Franchisee acknowledges that because complete and detailed uniformity under varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, at its sole discretion, and as it may deem in the best interests of all concerned in any specific instance, to vary certain standards for its Franchise system, based on the peculiarities of Franchisee's circumstances or any other condition that Franchisor deems to be of importance in the administration or use of its Franchise system. Franchisee shall not be entitled to require Franchisor to disclose or grant to Franchisee a like or similar variation. Franchisee acknowledges that some Franchisees of Franchisor may operate under different forms of agreements and, consequently, Franchisor's obligations and rights in respect to its various Franchisees may differ materially in certain circumstances. The existence or use by Franchisor of different forms of agreement and the varying rights and obligations of Franchisor and other Franchisees shall not affect the parties' duty to comply with the terms of this Agreement, and the manner of Franchisor's enforcement of rights and obligations under those agreements shall not limit or otherwise affect Franchisor's ability to enforce its rights or Franchisee's obligations under this Agreement.

34. IMPROVEMENTS OR ENHANCEMENTS TO THE FRANCHISE SYSTEM.

All present and future distinguishing characteristics, improvements and additions to or associated with the System by Franchisor, Franchisee or others, including, without limitation, all new and improved Putting Course Designs, and all present and future service marks, trademarks, copyrights, and service mark and trademark registrations used and to be used as part of the System, and the associated goodwill, shall be Franchisor's property and will inure to Franchisor's benefit. Franchisee also acknowledges that such intellectual property includes any ideas, inventions, concepts, instructions, techniques of providing service, or other know-how developed, marketed, or licensed as part of the System, whether created by Franchisor, an affiliate, a predecessor, or by Franchisee or any of your owners, employees or contractors. Franchisee and its owners assign and transfers to Franchisor, without any additional compensation to Franchisee, all such intellectual property created by or for Franchisee for use in, by or for the Franchise, and Franchisee acknowledges that Franchisor and its affiliates may incorporate, modify, supplement, license or otherwise commercialize such information as part of the System or in any other manner. Franchisee and its owners agree to sign any documentation Franchisor requests to effectuate or confirm such transfer and assignment.

35. NO PROJECTIONS OR WARRANTIES.

Franchisee acknowledges and represents that it has not received from Franchisor any projections or warranties regarding the amount of revenue, income or expenses that Franchisee can expect to earn from the Franchise. Franchisor acknowledges that no representations inconsistent with Franchisor's Disclosure Document or this Agreement were made to induce Franchisee to execute this Agreement. Franchisee acknowledges that neither Franchisor nor any person or entity can guarantee the success of the Franchise.

36. INJUNCTIVE RELIEF.

Nothing in this Agreement shall bar Franchisor's right to obtain injunctive relief against conduct that will cause it loss, damage or harm under the applicable rules of law or equity. Without in any way limiting the scope of the previous sentence, Franchisee acknowledges that violation of any of the terms or provisions of Sections 5, 9, 14 or 16 will cause irreparable harm to Franchisor for which damages are not readily ascertainable and that injunctive relief is necessary for the protection of Franchisor's rights under this Agreement during the pendency of any action seeking other and further relief, and agrees that Franchisor may immediately upon such violation seek temporary and/or permanent relief enjoining Franchisee and/or its managers, officers, agents or employees, or any other individual, entity or organization, from such violations.

37. WAIVER OF BOND

You agree that if we are forced to bring suit to enforce any provision of this Agreement, you agree to waive any requirement that we post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.

38. CONFIDENTIALITY AGREEMENT.

Franchisee hereby acknowledges that Franchisor possesses and will continue to develop and acquire confidential and proprietary information relating to the development and operation of the Franchise (collectively the “**Confidential Information**”) which includes but is not limited to the material set forth in the Operations Manual, the Putting Course Designs and financial information provided by Franchisor or developed by Franchisee in connection with the operation of the Franchise. Franchisee further acknowledges and agrees that it will not acquire any interest in the Confidential Information other than the right to utilize the same in connection with the operation of the Franchise during the term of this Agreement, and that it will not, duplicate or disclose any of the Confidential Information, or use the same except in the operation of the Franchise. Without limiting the foregoing, Franchisee agrees that both during and after the term of this Agreement that it: (i) will not use the Confidential Information in any other business or capacity; (ii) will maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement; (iii) will not make unauthorized copies of any portion of the Operations Manual or otherwise disclose or use the Confidential Information; and (iv) will adopt and implement all reasonable procedures Franchisor prescribes from time to time to prevent unauthorized use or disclosure of the Confidential Information, including, without limitation, requiring your General Manager and other supervisory personnel to execute a confidentiality agreement to effectuate the terms and provisions of this section. Such agreement shall contain an express provision specifying Franchisor as a third-party beneficiary with the direct right of enforcement. All officers, members, directors and holders of 10% percent or more of the ownership interests of Franchisee and any other individual as required by Franchisor shall execute and deliver a confidentiality agreement reasonably satisfactory to Franchisor to effectuate the confidentiality provisions of this Agreement.

39. SEVERABILITY.

If any provision of this Agreement or portion thereof shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof and other portions thereof will not in any way be affected or impaired thereby. If any provision of this Agreement, or portion thereof, is capable of two interpretations, one of which would render the provision, or portion thereof, void and the other of which would render the provision, or portion thereof, valid, then the provision, or portion thereof, shall have the meaning which renders it valid.

40. GRAMMAR.

In this Agreement, singular includes the plural and plural includes the singular, and subjects and verbs are included to agree with each other in the proper sense. Further, any gender specific word or term shall include both the masculine and feminine gender unless otherwise indicated by the context. Throughout this Agreement, unless the context clearly indicates otherwise, the masculine, feminine and neuter genders shall be interchangeable, the singular shall be deemed to include the plural, and *vice versa*.

41. HEADINGS.

The headings and numbers of sections or paragraphs contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

42. COUNTERPARTS.

This Agreement may be executed in one or more counterparts each of which may be deemed an original, but all of which constitute one and the same agreement.

43. FORCE MAJEURE.

Except for Franchisee's payment of amounts due hereunder, in the event either party is prevented from performing hereunder due to an act of God, flood, war, fire, earthquake or other similar event beyond the reasonable control of the party invoking this section, and if such party shall have used reasonable efforts to mitigate its effects, and provided that such party shall have given prompt written notice to the other party, then delay or failure of performance due to such events shall be temporarily excused, and the time for performance shall be extended for the period of delay or inability to perform due to such occurrences.

44. TIME OF ESSENCE.

Time is of the essence of this Agreement and of each provision to this Agreement.

45. ENTIRE AGREEMENT.

This Agreement, and any attachments hereto, and any ancillary agreements between Franchisor and Franchisee executed contemporaneously with this Agreement, constitute the entire and complete agreement between Franchisor and Franchisee concerning the subject matter hereof, and all prior discussions or negotiations (written or oral) are merged into the documents described above, and no representations, inducements, promises or agreements not embodied therein shall survive the execution thereof. Nothing in this Agreement or in any related agreement, however, is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document that Franchisor furnished to Franchisee.

46. CONSTRUCTION.

This Agreement shall be construed in accordance with the plain meaning of the terms hereof and shall not be strictly construed for or against either party hereto.

47. SURVIVORSHIP.

Where any covenants, indemnities or other provisions contained in this Agreement evidence the intent of the parties that such provisions should survive the expiration or termination of this Agreement, the provisions shall so survive the expiration or termination of this Agreement. Without limiting the generality of the foregoing, the parties specifically acknowledge and agree that all covenants and indemnities made in Sections 12, 16, 17, 21, 24, 25, 27, 32 and 33 of this Agreement shall survive the expiration or termination of this Agreement. Expiration or termination of this Agreement shall not affect Franchisee's obligations for the payment of all fees, charges and expenses accrued or incurred by Franchisee under this Agreement prior to such expiration or termination and such obligations shall survive the expiration or termination of this Agreement.

Franchisee represents that the individuals signing the attached Payment and Performance Guarantee constitute all of the equity owners of the Franchisee.

IN WITNESS WHEREOF, the parties have executed this Agreement on the Effective Date.

Franchisor:

PUTT-PUTT, LLC

By: _____

David M. Callahan
President and Chief Executive Officer

Franchisee:

«FranchiseeName»

By: _____

Name: _____

Title: _____

PUTT-PUTT, LLC
PAYMENT AND PERFORMANCE GUARANTEE

In order to induce Putt-Putt, LLC ("Franchisor") to enter into a certain Franchise Agreement (the "Franchise Agreement") by and between Franchisor and the Franchisee named in the Franchise Agreement to which this Payment and Performance Guarantee (the "Guarantee") is attached, the undersigned (collectively referred to as the "Guarantors" and individually referred to as a "Guarantor") hereby covenant and agree as follows:

1. Guarantee of Payment and Performance. The Guarantors jointly and several unconditionally guarantee to Franchisor and its affiliates the payment and performance when due, whether by acceleration or otherwise, of all obligations, indebtedness and liabilities of Franchisee to Franchisor, direct or indirect, absolute or contingent, of every kind and nature, whether now existing or incurred from time to time hereafter, whether incurred pursuant to the Franchise Agreement or otherwise, together with any extension, renewal or modification thereof in whole or in part (the "Guaranteed Liabilities"), and agree that if any of the Guaranteed Liabilities are not so paid or performed by Franchisee when due, the Guarantors will immediately do so. The Guarantors further agree to pay all expenses (including reasonable attorneys' fees) paid or incurred in endeavoring to enforce this Guarantee or the payment of any Guaranteed Liabilities.

2. Waivers by Guarantors. The Guarantors waive presentment, demand, notice of dishonor, protest and all other notices whatsoever, including, without limitation, notices of acceptance hereof, of the existence or creation of any Guaranteed Liabilities, of the amounts and terms thereof, of all defaults, disputes or controversies between Franchisor and Franchisee and of the settlement, compromise or adjustment thereof. This Guarantee is primary and not secondary, and shall be enforceable without Franchisor having to proceed first against Franchisee or against any or all of the Guarantors or against any other security for the Guaranteed Liabilities. This Guaranty shall be effective regardless of the insolvency of Franchisee by operation of law, any reorganization, merger or consolidation of Franchisee, or any change in the ownership of Franchisee.

3. Term: No Waiver. This Guaranty shall be irrevocable, absolute and unconditional and shall remain in full force and effect as to each of the Guarantors until the later of (i) such time as all Guaranteed Liabilities of Franchisee to Franchisor and its affiliates have been paid and satisfied in full, or (ii) the Franchise Agreement and all obligations of Franchisee thereunder expire. No delay or failure on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by Franchisor of any right or remedy shall preclude other further exercise of such right or any other right or remedy.

4. Other Covenants. Each of the Guarantors agrees to comply with the provisions of Sections 5, 16, 20, 21 and 33 of the Franchise Agreement as though he or she were the "Franchisee" named therein, and agrees that he or she shall take any and all actions as may be necessary or appropriate to cause Franchisee to comply with the Franchise Agreement and shall not take any action that would cause Franchisee to be in breach of the Franchise Agreement.

5. Disputes. Sections 24 and 25 of the Franchise Agreement are hereby incorporated herein by reference and shall be applicable to any all disputes between Franchisor and any of the Guarantors, as though Guarantor were the "Franchisee" referred to therein.

6. Miscellaneous. This Agreement shall be binding upon the Guarantors and their respective heirs, executors, successors and assigns, and shall inure to the benefit of Franchisor and its successors and assigns.

IN WITNESS WHEREOF, the undersigned Guarantors have caused this Guarantee to be duly executed as of _____, _____.

Print Name: _____

Print Name: _____

Print Name: _____

Print Name: _____

PUTT-PUTT, LLC

SCHEDULE 1
General Information

Dated: _____, 20__ (the “**Effective Date**”)

Account No: _____

A. “Franchisee”															
B. Franchisee’s Address															
C. Franchisee’s Equity Owners	The following are the names and addresses of all owners of Franchisee, and a description of the interest held by such owners:														
	<table border="1"><thead><tr><th>Names</th><th>Addresses</th><th>Equity Interest (Legal or Beneficial)</th></tr></thead><tbody><tr><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr></tbody></table>	Names	Addresses	Equity Interest (Legal or Beneficial)											
Names	Addresses	Equity Interest (Legal or Beneficial)													

D.	“Designated Location”	The Designated Location is: <i>[complete, date and initial below upon determination of the Designated Location under Section 6(a) (either concurrently or after signing of the Franchise Agreement)]</i>
E.	“Protected Territory”	The Protected Territory is: <i>[complete, date and initial below upon determination of the Protected Territory under Section 6(a) (either concurrently or after signing of the Franchise Agreement)]</i>
		Franchisor and Franchisee acknowledge that the Designated Location has been inserted into the Franchise Agreement on _____, 20____.
		INITIALS:
		_____ FRANCHISOR
		_____ FRANCHISEE
		If the Designated Location has not been determined at the time the Franchise Agreement is signed, Franchisor and Franchisee agree that the Designated Location shall be located within the following general area <i>[insert N/A if not applicable]</i> : _____

		_____ FRANCHISEE
F.	“Operating Principal”	_____ is appointed by Franchisee to act as the Franchisee’s Operating Principal . The Operating Principal must have at least a 10% equity interest in Franchisee and authority to bind Franchisee in all dealings with Franchisor.
G.	“Minimum Radius of Protected Territory”	If the parties are unable to agree upon the Protected Territory, the Minimum Radius of the Protected Territory is ____ miles from the Designated Location. <i>[complete only if Designated Location/Protected Territory are not determined at the time of signing of the Franchise Agreement, otherwise, insert “N/A”]</i>

Type of Franchise/Permitted Attractions

_____ **Level One Franchise.** Includes miniature golf only.

_____ **Level Two Franchise.** Includes miniature golf and a Video and Prize Game Attraction (includes video game machines, pinball machines and similar amusement devices)

_____ **Level Three Franchise.** Includes miniature golf, a Video and Prize Game Attraction, as described above, and the following additional “Permitted Attractions”: ***[check all that apply]***

- ☐ Bumper Boats
- ☐ Go-Karts
- ☐ Batting Cage
- ☐ Laser Tag
- ☐ Spin Zone Bumper Cars
- ☐ Other: _____

Initials:

_____ Franchisor

_____ Franchisee

PUTT-PUTT, LLC

**SCHEDULE 2
Marks**

The Franchise shall primarily operate under the Mark “PUTT-PUTT FUN CENTER”.

A. Registered Marks

Description of Mark	Registration Number	Date of Issuance
PUTT-PUTT GOLF COURSE®	657,893	01/28/58
PUTT-PUTT®	1,774,301	06/01/93
PUTT-PUTT®	1,779,013	06/29/93
PUTT-PUTT®	1,786,729	08/10/93
PUTT-PUTT®	2,075,868	07/01/97
PPA®	2,075,915	07/01/97
PUTT-PUTT®	2,077,704	07/08/97
PUTT-PUTT®	2,101,518	09/30/97
PROFESSIONAL PUTTERS ASSOCIATION®	2,176,094	07/28/98
PUTT-PUTT (& Design) 	2,512,620	11/27/01
PUTT-PUTT BUSTER (& Design) 	3,437,846	05/27/08
LET THE FUN BEGIN!®	3,142,944	09/12/06
PUTT-PUTT FUN CENTER (& Design) 	4,221,166	10/09/12
PUTT-PUTT GOLF & GAMES®	4,845,690	11/03/15
PUTT-PUTT FUN CENTER (& design)	7,453,292	07/23/24

Description of Mark	Registration Number	Date of Issuance
		
PUTT-PUTT FUN CENTER LET THE FUN BEGIN! (& design) 	7,453,293	07/23/24

B. Other Marks

Franchisor has not filed applications with respect to the following Marks:

RACE ZONE
WET ZONE
BAT ZONE
SPIN ZONE
LAZER ZONE
SNACK SHACK

PUTT-PUTT, LLC

SCHEDULE 3
Putting Course Designs

COPYRIGHT TITLE	REGISTRATION NUMBER	DATE
Detailed Plan & Specs for construction of Putt-Putt Golf Course	IP 4426	01/17/58
Official rules.	TX-1-135-417	01/17/83
Plans and specifications of putt-putt golf courses.	VAu-42-614	01/17/83
Architectural drawings and plans and specifications for putt-putt golf courses, clubhouse specialized furnishings.	VAu-42-884	01/25/83
Layout and design of miniature golf courses.	VA-186-171	03/04/85
38 drawings of hole designs of independent miniature golf courses.	VA-193-260	03/04/85
Octagonal obstacles; Circular obstacles.	VA 248-589	12/24/86
Putt-Putt Golf Course Hole Design C7-13	VA 248-587	12/24/86
Putt-Putt Golf Course Hole Design C7-18	VA 248-588	12/24/86
Putt-Putt Golf Course Hole Design C7-5	VA 248-590	12/24/86
Official rules & regulations.	TX-1-992-747	01/02/87
Putt-Putt Golf Course Hole Design C7-10	VA 256-081	03/09/87
Putt-Putt Golf Course Hole Design C7-16	VA 256-082	03/09/87
Putt-Putt Golf Course Hole Design C7-18	VA 256-044	03/09/87
Putt-Putt Golf Course Hole Design C8-1	VA 267-469	06/03/87
Putt-Putt Golf Course Hole Design C8-10	VA 267-989	06/03/87
Putt-Putt Golf Course Hole Design C8-11	VA 267-994	06/03/87
Putt-Putt Golf Course Hole Design C8-12	VA 267-991	06/03/87
Putt-Putt Golf Course Hole Design C8-13	VA 267-993	06/03/87
Putt-Putt Golf Course Hole Design C8-14	VA 267-950	06/03/87
Putt-Putt Golf Course Hole Design C8-15	VA 267-949	06/03/87
Putt-Putt Golf Course Hole Design C8-2	VA 267-468	06/03/87
Putt-Putt Golf Course Hole Design C8-3	VA 267-475	06/03/87
Putt-Putt Golf Course Hole Design C8-4	VA 267-474	06/03/87
Putt-Putt Golf Course Hole Design C8-5	VA 267-473	06/03/87
Putt-Putt Golf Course Hole Design C8-6	VA 267-472	06/03/87
Putt-Putt Golf Course Hole Design C8-7	VA 267-471	06/03/87
Putt-Putt Golf Course Hole Design C8-8	VA 267-470	06/03/87
Putt-Putt Golf Course Hole Design C8-9	VA 267-992	06/03/87
Putt-Putt Golf Course Hole Design C8-16	VA 270-174	06/19/87
Putt-Putt Golf Course Hole Design C8-17	VA 270-173	06/19/87

COPYRIGHT TITLE	REGISTRATION NUMBER	DATE
Putt-Putt Golf Course Hole Design C8-18	VA 270-172	06/19/87
Putt-Putt Golf Course Hole Design C7-1	VA 392-334	01/23/90
Putt-Putt Golf Course Hole Design C7-10	VA 396-004	01/23/90
Putt-Putt Golf Course Hole Design C7-12	VA 396-009	01/23/90
Putt-Putt Golf Course Hole Design C7-14	VA 396-008	01/23/90
Putt-Putt Golf Course Hole Design C7-15	VA 396-007	01/23/90
Putt-Putt Golf Course Hole Design C7-16	VA 396-006	01/23/90
Putt-Putt Golf Course Hole Design C7-17	VA 396-005	01/23/90
Putt-Putt Golf Course Hole Design C7-2	VA 392-336	01/23/90
Putt-Putt Golf Course Hole Design C7-6	VA 392-335	01/23/90

PUTT-PUTT, LLC

SCHEDULE 4

General Release and Addendum to Franchise Agreement

GENERAL RELEASE

THIS RELEASE is made and given by _____,
("Releasor" or "Franchisee") with reference to the following facts:

1. Releasor and Putt-Putt, LLC, ("Releasee" or "Franchisor") are parties to one or more franchise agreements.
2. The following consideration is given:

_____ the execution by Releasor of a successor Franchise Agreement or other renewal documents renewing the franchise (the "Franchised Business"); or

_____ Releasor's consent to Releasee's transfer of its rights and duties under the Franchise Agreement; or

_____ Releasor's consent to Releasee's assumption of rights and duties under the Franchise Agreement; or

_____ [insert description]

3. Release- Franchisee and all of Franchisee's guarantors, members, officers, directors, employees, agents, successors, assigns and affiliates fully and finally release and forever discharge Releasee, its past and present agents, employees, officers, directors, members, Franchisees, successors, assigns and affiliates (collectively "Released Parties") from any and all claims, actions, causes of action, contractual rights, demands, damages, costs, loss of services, expenses and compensation which Franchisee could assert against Released Parties or any of them up through and including the date of this Release.
4. THIS IS A SPECIFIC RELEASE GIVING UP ALL RIGHTS WITH RESPECT TO THE TRANSACTIONS OR OCCURRENCES THAT ARE BEING RELEASED UNDER THIS AGREEMENT.
5. California Releasor- You represent and warrant that YOU EXPRESSLY WAIVE ANY AND ALL RIGHTS AND BENEFITS UNDER CALIFORNIA CIVIL CODE §1542, which provides as follows:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

6. The above Release shall not apply to any liabilities arising under the California Franchise Investment Law, the California Franchise Relations Act, Indiana Code § 23-2-2.5.1 through 23-2-2.7-7, the Maryland Franchise Registration and Disclosure Law, Michigan Franchise Investment Law, Minnesota Franchise Act, North Dakota franchise laws, the Rhode Island Investment Act, and the Washington Franchise Investment Protection Act.
7. Releasor agrees to comply with all of its applicable post-termination or post-transfer obligations (as the case may be) in the Franchise Agreement described above.

Franchisor:

PUTT-PUTT, LLC

By: _____
David M. Callahan
President and Chief Executive Officer

Franchisee:

«FranchiseeName»

By: _____
Name: _____
Title: _____

**ADDENDUM TO FRANCHISE AGREEMENT
(Transfer)**

THIS ADDENDUM TO FRANCHISE AGREEMENT is agreed to upon the Effective Date and is by and between Putt-Putt, LLC (“**Franchisor**”) and _____ (“**Transferee**” or “**Franchisee**”). Transferee desires to purchase, or has purchased, all right, title and interest granted to _____ under that certain Franchise Agreement between Franchisor and _____ dated as of _____, _____ (the “**Transfer**”). In connection with such Transfer, Transferee and Franchisor have entered into the Franchise Agreement to which this Addendum is attached, which is hereby modified and amended as follows:

1. Section 3 “Term”. Section 3 of the Franchise Agreement is deleted in its entirety and replaced with the following: “The initial term of this Agreement shall commence on the date hereof and continue until _____, _____”.

2. Section 6 “Construction and Development”.

(a) The text of Section 6(a) of the Franchise Agreement is deleted in its entirety and replaced with the following:

“Franchisee agrees to assume the operation of the existing Franchise at the Designated Location. Franchisee shall have made or will make at its cost and expense and on a schedule provided by Franchisor, in Franchisor’s sole discretion, such renovations and modernization of the Franchise as Franchisor deems appropriate.”

(b) Section 6(b) and the first sentence of Section 6(e) are deleted in their entirety.

3. Section 8 “Training”. The text of Section 8(a) of the Franchise Agreement is deleted in its entirety.

4. Section 11 “Fees”. Section 11(a) of the Franchise Agreement titled “Franchise Fee” is deleted in its entirety and replaced with the following: “**a. Transfer Fee.** Contemporaneously with the execution of this Agreement, Franchisee has paid a non-refundable transfer fee of \$_____.”

5. Section 14 “Insurance”. The first sentence of Section 14(c) of the Franchise Agreement is deleted and replaced by the following: “Prior to the Effective Date, Franchisee has provided Franchisor with a certificate evidencing the insurance required by this section.”

Capitalized terms used herein that are not defined shall have the meanings ascribed to them in the Franchise Agreement. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or Exhibits or Attachments thereto, the terms of this Addendum shall govern.

[Signature Page to Follow]

In witness whereof, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the same day as of the Effective Date.

Franchisor:

PUTT-PUTT, LLC

By: _____
David M. Callahan
President and Chief Executive Officer

Franchisee:

«FranchiseeName»

By: _____
Name: _____
Title: _____

**ADDENDUM TO FRANCHISE AGREEMENT
(Successor Term)**

THIS ADDENDUM TO FRANCHISE AGREEMENT is agreed to as of the Effective Date between Putt-Putt, LLC (“**Franchisor**”) and _____ (“**Franchisee**”). Franchisee is a party that certain Franchise Agreement between Franchisor and Franchisee dated as of _____, _____, pursuant to which Franchisee was granted Franchisee the right to establish and operate a PUTT-PUTT franchise. Franchisee and Franchisor desire to enter into a successor term with respect to such PUTT-PUTT franchise upon the terms and conditions stated in the Franchise Agreement to which this Addendum is attached, which is hereby modified and amended as follows:

1. Section 3 “Term”. Section 3 of the Franchise Agreement is deleted in its entirety and replaced with the following: “The initial term of this Agreement shall commence on the date hereof and continue until _____, _____”.

2. Section 6 “Construction and Development”.

(a) The text of Section 6(a) of the Franchise Agreement is deleted in its entirety and replaced with the following:

“Franchisee agrees to assume the operation of the existing Franchise at the Designated Location. Franchisee shall have made or will make at its cost and expense and on a schedule provided by Franchisor, in Franchisor’s sole discretion, such renovations and modernization of the Franchise as Franchisor deems appropriate.”

(b) Section 6(b) and the first sentence of Section 6(e) are deleted in their entirety.

3. Section 8 “Training”. The text of Section 8(a) of the Franchise Agreement is deleted in its entirety.

4. Section 11 “Fees”. Section 11(a) of the Franchise Agreement titled “Franchise Fee” is deleted in its entirety and replaced with the following: “**a. Successor Term Fee.** Contemporaneously with the execution of this Agreement, Franchisee has paid a non-refundable successor term fee of \$_____.”

5. Section 14 “Insurance”. The first sentence of Section 14(c) of the Franchise Agreement is deleted and replaced by the following: “Prior to the Effective Date, Franchisee has provided Franchisor with a certificate evidencing the insurance required by this section.”

Capitalized terms used herein that are not defined shall have the meanings ascribed to them in the Franchise Agreement. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or Exhibits or Attachments thereto, the terms of this Addendum shall govern.

[Signature Page to Follow]

In witness whereof, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective as of the Effective Date.

Franchisor:

PUTT-PUTT, LLC

By: _____

David M. Callahan

President and Chief Executive Officer

Franchisee:

«FranchiseeName»

By: _____

Name: _____

Title: _____

**EXHIBIT B
TO THE
DISCLOSURE DOCUMENT**

**STATE SPECIFIC ADDENDA
VIRGINIA ADDENDUM**

As to franchises governed by the Virginia Retail Franchising Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document is amended as follows:

Additional Disclosure: 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 ground for default or termination stated in the franchise agreement does 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.

2. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**EXHIBIT C
TO THE
DISCLOSURE DOCUMENT
FINANCIAL STATEMENTS**

Audited Consolidated Financial Statements

Putt-Putt, LLC and Affiliate

Years Ended December 31, 2024 and 2023

Audited Consolidated Financial Statements

Putt-Putt, LLC and Affiliate

Years Ended December 31, 2024 and 2023

Independent Auditor's Report	1
Consolidated Balance Sheets.....	3
Consolidated Statements of Operations.....	4
Consolidated Statements of Changes in Equity	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7



Independent Auditor's Report

To the Member
Putt-Putt, LLC and Affiliate
Chapel Hill, North Carolina

Opinion

We have audited the accompanying consolidated financial statements of Putt-Putt, LLC and Affiliate, which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of operations, changes in equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Putt-Putt, LLC and Affiliate as of December 31, 2024 and 2023, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Putt-Putt, LLC and Affiliate, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Putt-Putt, LLC and Affiliate's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

Independent Auditor's Report--Continued

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Putt-Putt, LLC and Affiliate's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Putt-Putt, LLC and Affiliate's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Romeo, Wiggins & Company, L.L.P.

Raleigh, North Carolina
April 24, 2025

Consolidated Balance Sheets

Putt-Putt, LLC and Affiliate

December 31, 2024 and 2023

	2024	2023
Assets		
Current assets:		
Cash	\$ 179,243	\$ 281,910
Trade receivables, net an allowance of \$900 in 2024 and 2023	31,675	40,568
Related party receivables, net an allowance of \$0 in 2024 and 2023	44,736	40,822
Prepaid income taxes	1,789	1,789
Other prepaid assets	2,902	3,115
Deferred tax asset - current	4,045	1,544
TOTAL CURRENT ASSETS	<u>264,390</u>	<u>369,748</u>
Fixed assets, net of accumulated depreciation/amortization	58,221	67,822
Operating lease right-of-use assets, net	93,229	254,769
Other assets:		
Security deposit	4,000	4,000
Trademarks	253,500	253,500
Goodwill	621,541	621,541
Franchise agreements, net of accumulated amortization of \$67,632 in 2024 and 2023	<u>-</u>	<u>-</u>
	<u>879,041</u>	<u>879,041</u>
TOTAL ASSETS	<u>\$ 1,294,881</u>	<u>\$ 1,571,380</u>
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 10,081	\$ 16,445
Operating lease liabilities, current portion	60,140	50,542
Deferred revenue, current portion	500	500
Income taxes payable	<u>-</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	<u>70,721</u>	<u>67,487</u>
Operating lease liabilities, noncurrent portion	36,920	221,509
Deferred revenue, noncurrent portion	<u>2,042</u>	<u>2,542</u>
TOTAL LIABILITIES	<u>109,683</u>	<u>291,538</u>
Equity:		
Putt-Putt, LLC:		
Member's equity	699,002	785,259
Putt-Putt Marketing, Inc. (Affiliate):		
Stockholder's equity:		
Common stock, \$1 par, 1 share authorized, issued and outstanding in 2024 and 2023	1	1
Additional paid-in capital	104,999	104,999
Retained earnings	<u>381,196</u>	<u>389,583</u>
	<u>486,196</u>	<u>494,583</u>
TOTAL EQUITY	<u>1,185,198</u>	<u>1,279,842</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 1,294,881</u>	<u>\$ 1,571,380</u>

See accompanying independent auditor's report and notes to consolidated financial statements.

Consolidated Statements of Operations

Putt-Putt, LLC and Affiliate

Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenues:		
Franchise fees and assessments	\$ 365,014	\$ 404,209
Annual marketing fees	1,350	1,850
Management fee revenue	88,615	113,374
Commissions on product sales	16,123	40,851
Other	<u>42</u>	<u>4,171</u>
	471,144	564,455
Operating expenses	<u>362,587</u>	<u>362,832</u>
Net operating income	<u>108,557</u>	<u>201,623</u>
Other income (expenses):		
Interest income	8,310	8,300
Gain on disposal of assets	-	165
Gain on remeasurement of operating lease	<u>17,733</u>	<u>-</u>
	26,043	8,465
Net income before provision for income taxes	134,600	210,088
Income tax benefit of Affiliate	<u>2,501</u>	<u>1,550</u>
Net income	<u>\$ 137,101</u>	<u>\$ 211,638</u>

See accompanying independent auditor's report and notes to consolidated financial statements.

Consolidated Statements of Changes in Equity

Putt-Putt, LLC and Affiliate

Years Ended December 31, 2024 and 2023

	<u>Putt-Putt, LLC</u> <u>Member's</u> <u>Equity</u>	<u>Affiliate</u> <u>Stockholder's</u> <u>Equity</u>	<u>Total</u> <u>Equity</u>
Balance - December 31, 2022	\$ 788,208	\$ 499,760	\$ 1,287,968
Net income (loss)	216,815	(5,177)	211,638
Contributed capital	-	-	-
Distributions	<u>(219,764)</u>	<u>-</u>	<u>(219,764)</u>
Balance - December 31, 2023	785,259	494,583	1,279,842
Net income (loss)	145,488	(8,387)	137,101
Contributed capital	-	-	-
Distributions	<u>(231,745)</u>	<u>-</u>	<u>(231,745)</u>
Balance - December 31, 2024	<u>\$ 699,002</u>	<u>\$ 486,196</u>	<u>\$ 1,185,198</u>

See accompanying independent auditor's report and notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Putt-Putt, LLC and Affiliate

Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
OPERATING ACTIVITIES:		
Net income	\$ 137,101	\$ 211,638
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	9,601	9,761
Gain on remeasurement of operating lease	(17,733)	-
Gain on disposal of fixed assets	-	(165)
Change in allowance for credit losses	-	300
Charge-off of note receivable	-	23,410
Changes in operating assets and liabilities:		
Trade receivables	8,893	(9,575)
Related party receivables	(3,914)	(23,800)
Prepaid income taxes	-	(1,789)
Other prepaid assets	213	3,459
Deferred tax asset	(2,501)	(1,544)
Operating lease right-of-use assets	59,054	48,921
Accounts payable and accrued expenses	(6,364)	11,759
Income taxes payable	-	(1,292)
Operating lease liabilities	(54,772)	(47,494)
Deferred revenue	(500)	(500)
Net cash provided by operating activities	<u>129,078</u>	<u>223,089</u>
INVESTING ACTIVITIES:		
Proceeds from disposal of fixed assets	-	165
Purchases of fixed assets	-	(8,469)
Net cash used in investing activities	<u>-</u>	<u>(8,304)</u>
FINANCING ACTIVITIES:		
Distributions to member	(231,745)	(219,764)
Net cash used in financing activities	<u>(231,745)</u>	<u>(219,764)</u>
Net change in cash	(102,667)	(4,979)
Cash, beginning of year	<u>281,910</u>	<u>286,889</u>
Cash, end of year	<u>\$ 179,243</u>	<u>\$ 281,910</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Income taxes paid	\$ -	\$ 3,075
NONCASH INVESTING AND FINANCING ACTIVITIES:		
Upon remeasurement of operating lease (office space):		
Net decrease in ROU operating lease assets	\$ (126,746)	\$ -
Net decrease in operating lease liabilities	(144,479)	-
Upon inception of operating lease (vehicle):		
Increase in ROU operating lease assets/liabilities	24,260	-

See accompanying independent auditor's report and notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Putt-Putt, LLC and Affiliate

Years Ended December 31, 2024 and 2023

NOTE A -- THE REPORTING ENTITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: Putt-Putt, LLC (the Company) was formed as a North Carolina member-managed Limited Liability Company in December 2004. The Company's operations consist of franchising Putt-Putt Fun Centers facilities throughout the United States. The Company had 25 and 29 franchises at December 31, 2024 and 2023, respectively. By its articles of organization, Putt-Putt, LLC is to dissolve on or before December 31, 2032.

Putt-Putt Marketing, Inc. (Affiliate) provides advertising for all Putt-Putt franchisees. The Affiliate is owned by the member of Putt-Putt, LLC and guarantees the obligations of Putt-Putt, LLC to its franchisees.

Basis of Presentation: The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles and include the accounts of Putt-Putt, LLC and Putt-Putt Marketing, Inc. as further detailed in *Principles of Consolidation*.

Principles of Consolidation: Putt-Putt Marketing, Inc. provides marketing services to franchisees of Putt-Putt, LLC in exchange for certain franchise fees. The Affiliate's revenues are substantially all dependent on the contractual relationship that Putt-Putt, LLC has with franchisees. The Company, as the *primary beneficiary*, is required to consolidate the activity of Putt-Putt Marketing, Inc., a *variable interest entity*, for purposes of U.S. generally accepted accounting principles. All significant intercompany transactions have been eliminated in consolidation.

Summarized financial information for Putt-Putt Marketing, Inc. as of and for the years ended December 31, 2024 and 2023 (prior to intercompany eliminations) is as follows:

	<u>2024</u>	<u>2023</u>
Franchise fees	\$ 105,366	\$ 120,025
Net loss	(8,387)	(5,177)
Assets – including goodwill	591,431	585,669
Equity	486,196	494,583

Franchise fees for marketing are specifically required by the Company's franchise agreements and are based on a percentage of the franchisee's cash receipts. Revenues are recognized in the period for which cash receipts are reported by franchisees. (Refer also to *Franchise Fees* in Note A herein.) At December 31, 2024 and 2023, assets of the Affiliate include \$135,684 and \$126,000, respectively, due from Putt-Putt, LLC for franchise fees collected on behalf of Putt-Putt Marketing, Inc. Management fee expenses of \$52,683 and \$60,013 were recognized by the Affiliate in 2024 and 2023, respectively, for services provided by Putt-Putt, LLC. The Affiliate owed net advances of \$96,887 and \$86,283 to Putt-Putt, LLC at December 31, 2024 and 2023, respectively. No assets of Putt-Putt, LLC serve as collateral for the Affiliate's liabilities; neither is Putt-Putt, LLC subject to recourse of the Affiliate's creditors.

Recognition of Revenue: The Company recognizes revenue from contracts with customers in accordance with FASB ASC *Topic 606*, whereby revenue is recognized when control of the promised goods or services are transferred to customers in an amount that reflects the consideration expected to be received for those goods or services. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied. The Company has several revenue sources that are accounted for as exchange transactions, including franchise fees, termination fees (if any), management fees, and commissions on product sales.

Putt-Putt, LLC and Affiliate

NOTE A -- THE REPORTING ENTITIES AND SIGNIFICANT ACCOUNTING POLICIES -- Continued

Franchise Fees: Topic 606 requires the portion of the initial franchise fee (or renewal fee) attributable to the grant of the intellectual property license to be deferred and recognized over the term of the related franchise agreement. The Company's franchise agreements generally have terms of twenty or forty years. The impact of the deferral of initial franchise and renewal fees received in a given year may be offset by the recognition of revenue from fees retrospectively deferred from prior years.

In addition, Topic 606 requires the franchisor to identify separate performance obligations to franchisees. The Company identified the following separate and distinct performance obligations under its franchise agreements: the franchise right, site selection services, and general training services. Site selection and general training services are typically complete when a franchise commences operations. The Company recognizes the portion of the initial franchise fee (or renewal fee) attributable to these upfront services upon commencement of franchise operations. Often, the fair value of site selection and general training services to the franchisee exceeds the initial franchise or renewal fee, resulting in a relatively small portion, if any, of the initial franchise fee (or renewal fee) being deferred and recognized over the franchise term. Deferred revenue at December 31, 2024 and 2023 relates to a franchise agreement scheduled to expire on January 21, 2030. Deferred revenue decreased by \$500 in 2024 and 2023 due to the recognition of revenue that was included in deferred revenue at the beginning of each year.

The Company's franchise agreements also provide for ongoing fees based on a percentage of the franchisee's gross receipts. These "royalty" fees meet the criteria to be subject to the sales and usage-based royalties' exception in Topic 606 for licenses of intellectual property. Consequently, these fees are recognized (and are payable) monthly, based on gross receipts reported by franchisees.

Termination Fees: Termination fees are due in the event of early termination, as defined by contract, and are recognized in full at that time.

Management Fee Revenue: The Company provides management services on an ongoing basis to two fully-affiliated franchisees that are owned wholly or in part by the Company's member. Management fee revenue is recognized (and billed) monthly, with fees based on a percentage of the locations' revenues as defined by contract. Refer also to *Note E--Related Party Transactions*.

Commissions on Product Sales: Commissions on product sales are recognized (and are payable) monthly based on a percentage of product sales as defined by contract.

Cash Equivalents: The Company and Affiliate consider all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Neither the Company nor the Affiliate held cash equivalents at December 31, 2024 and 2023.

Cash in Excess of Insured Limits: The Company and Affiliate hold cash on deposit with a bank. These balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per account holder, per bank. At December 31, 2024, the Company and Affiliate had no bank holdings that exceeded federally insured limits.

Trade Receivables (including a significant concentration and a subsequent event): Trade receivables consist of amounts due from franchisees and are recorded net of an allowance for credit losses. Management provides an allowance for credit losses based on historical experience with franchisees and current economic factors. A trade receivable is considered to be past due if any portion of the receivable balance is outstanding for more than 90 days. Receivables are written off against the allowance when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. Trade receivables at December 31, 2024 and 2023 were reported net of an allowance for credit losses of \$900. Receivables are due within a year and are primarily unsecured.

At December 31, 2024, approximately 45% of trade receivables is due from two franchisees, all of which was collected subsequently.

Putt-Putt, LLC and Affiliate

NOTE A -- THE REPORTING ENTITIES AND SIGNIFICANT ACCOUNTING POLICIES -- Continued

Related Party Receivables (including a significant concentration): Related party receivables consist primarily of amounts due from two franchisees that are owned wholly or in part by the Company's member. Based on the collection history, the financial health of these franchisees, and the common ownership, management has provided no allowance for credit losses at December 31, 2024 and 2023. All amounts due from these franchisees are considered collectible. Receivables are due within a year and are primarily unsecured. Refer also to *Note E--Related Party Transactions*.

Fixed Assets: Fixed assets are recorded at cost. Depreciation is generally computed using the straight-line method over the estimated useful lives of the related assets ranging from 5 to 15 years. Repairs and maintenance costs are charged to operations as incurred. Depreciation and amortization expense for the years ended December 31, 2024 and 2023 was \$9,601 and \$9,761, respectively. Management reviews fixed assets for impairment at least annually. When necessary, management records charges for impairment of fixed assets in the amount by which the present value of future cash flows, or some other fair value measure, falls short of the carrying value of these assets. No impairment losses were recognized in 2024 and 2023.

Right-of-Use Assets/Lease Liabilities (per FASB ASC 842): Upon commencement of a lease, the Company (as lessee) determines its total lease payments required over the lease term (the noncancelable period of the lease and any option periods for which the Company is reasonably certain to exercise its option). Lease payments generally include the following: fixed payments, less any lease incentives paid or payable to the lessee; variable lease payments that depend on an index or rate; and the exercise price of a reasonably certain option to purchase the underlying asset. The lease liability is recorded at the present value of the lease payments not yet paid. The Company uses its estimated incremental borrowing rate, determined using a period comparable to the lease term, as the discount rate for leases where the implicit rate is not readily determinable. The related right-of-use (ROU) asset is recorded at cost and generally consists of the following: the amount of the measurement of the initial lease liability; any lease payments made to the lessor at or before the commencement date, minus any lease incentives received; and any initial direct costs incurred by the lessee.

The Company made an accounting policy election to not record leases with an initial term of 12 months or less on the balance sheet; related lease payments will instead be recognized in the statement of operations on a straight-line basis over the lease term. The Company also elected to not separate lease components from nonlease components for all leases.

For operating leases, the Company recognizes a single lease cost calculated so that the remaining cost of the lease is allocated over the remaining lease term on a straight-line basis (unless another systematic basis is more representative of the benefit pattern). The remeasured right-of-use asset is generally carried at the amount of the remeasured lease liability, adjusted for cumulative prepaid or accrued rent if the lease payments are uneven throughout the lease term, unamortized lease incentives, unamortized initial direct costs, and any impairment of the ROU asset.

For finance leases, right-of-use assets are recorded net of accumulated amortization, with amortization expense generally recognized on a straight-line basis over the lease term or the estimated useful life of the asset. Interest expense is recognized on the lease liability such that at all points during the lease, the lease liability reflects the present value of all remaining lease payments. The Company had no finance leases in 2024 and 2023.

Refer also to *Note D--Operating Lease Right-of-Use Assets/Liabilities*.

Putt-Putt, LLC and Affiliate

NOTE A -- THE REPORTING ENTITIES AND SIGNIFICANT ACCOUNTING POLICIES -- Continued

Trademarks: Trademarks acquired in conjunction with the Agreement and Plan of Merger between Putt-Putt, LLC (surviving entity) and Putt-Putt Golf Courses of America, Inc. effective December 31, 2004, are carried at fair value at date of acquisition and are considered to be indefinite-lived assets, as reassessed annually. Trademarks are evaluated for impairment annually, or more often if events or changes in circumstances indicate that the asset may be impaired. If the carrying amount exceeds the fair value, an impairment loss is recognized in an amount equal to the excess. No such excesses were identified at December 31, 2024 and 2023; therefore, no impairment losses were recognized in 2024 and 2023.

Goodwill: Goodwill of \$218,000 was acquired by the Company in connection with the Agreement and Plan of Merger between Putt-Putt, LLC (surviving entity) and Putt-Putt Golf Courses of America, Inc. effective December 31, 2004. Goodwill of \$403,541 was acquired in connection with the step-up acquisition of the Affiliate's stock effective December 31, 2004, whereby the now sole stockholder went from having a 50% interest to a 100% interest in the Affiliate. Goodwill is valued at the excess of purchase price over the fair value of the identifiable net assets acquired. Goodwill is evaluated for impairment annually, or more often if events or changes in circumstances indicate that the asset may be impaired. The Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is less than the carrying value, including goodwill. Management determined that this was not the case at December 31, 2024 and 2023. No other testing for goodwill impairment was deemed necessary. No impairment losses were recognized in 2024 and 2023.

Franchise Agreements: Franchise agreements acquired in conjunction with the Agreement and Plan of Merger between Putt-Putt, LLC (surviving entity) and Putt-Putt Golf Courses of America, Inc. effective December 31, 2004, are recorded at fair value at date of acquisition and were amortized over a ten-year life (fully amortized since December 31, 2014).

Income Taxes: The Company is a nontaxable limited liability company whose items of income and expense and gains and losses are reported on the returns of the member. Distributions may be made to the member in amounts that approximate the related personal income tax liability associated with the Company's taxable activities or for other purposes.

Deferred taxes relate to the taxable Affiliate and are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in the tax laws and rates on the date of enactment. The Affiliate reported deferred tax assets of \$4,045 and \$1,544 at December 31, 2024 and 2023, respectively, and a valuation allowance of \$0 at December 31, 2024 and 2023.

Management is aware of no material uncertain tax positions; therefore, no liability has been recorded for such at December 31, 2024 and 2023.

Fair Value of Financial Instruments: The carrying values of receivables and accounts payable and accrued expenses are considered to approximate the fair values of such at December 31, 2024 and 2023, due to the short-term maturity of these financial instruments. The operating lease liabilities are carried at the net present value of remaining lease payments, which approximates the fair value of the liabilities.

Use of Estimates: The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Management believes that such estimates have been based on reasonable and supportable assumptions and the resulting estimates are reasonable for use in the preparation of the consolidated financial statements. Actual results could differ from these estimates.

Notes to Consolidated Financial Statements--Continued

Putt-Putt, LLC and Affiliate

NOTE A -- THE REPORTING ENTITIES AND SIGNIFICANT ACCOUNTING POLICIES -- Continued

Reclassifications: Certain amounts in the accompanying 2023 consolidated financial statements have been reclassified to conform to the current year presentation.

NOTE B -- NOTE RECEIVABLE

The Company carried a balance on a no-interest, demand note receivable for a number of years. At January 1, 2023, the date on which the Company adopted FASB ASU 2016-13, *Financial Instruments-Credit Losses, Topic 326*, the note had an outstanding balance of \$23,410 that management considered to be fully collectible. In June 2023, the noteholder returned certain branded products related to the note. The majority of these products were scrapped and the Company charged the note balance of \$23,410 to marketing expense.

NOTE C -- FIXED ASSETS

Fixed assets consist of the following at December 31:

	2024	2023
Furniture and computer equipment	\$ 42,306	\$ 42,306
Website development costs	76,900	76,900
Leasehold improvements	7,380	7,380
	126,586	126,586
Less: Accumulated depreciation and amortization	(68,365)	(58,764)
	<u>\$ 58,221</u>	<u>\$ 67,822</u>

NOTE D -- OPERATING LEASE RIGHT-OF-USE ASSETS/LIABILITIES

The Company's operating leases in effect during 2024 and/or 2023 are summarized as follows:

Office Lease: The Company moved its home office from Winston Salem to Chapel Hill in December 2017. The Company began leasing office space in Chapel Hill effective December 15, 2017 (per a lease modification dated January 2, 2018). Rent payments were abated for the first five full months of the lease, with monthly Base Rent of \$3,518.67 required from June to December 2018. The lease required monthly payments through its expiration on April 30, 2024, with rentals increasing by approximately 3% annually. Beginning January 1, 2019, the lease also required monthly payments of Additional Rent based on the Company's proportionate share of the lessor's Operating Expenses over the Base Operating Expense Factor. Additional Rent of approximately \$1,112 and \$0 was charged for 2024 and 2023, respectively.

The office lease also provided for one five-year extension, exercisable with at least twelve month's advance notice. As of January 1, 2022, the date of the Company's adoption of FASB ASC 842, management was reasonably certain that the extension option would be exercised, and accordingly, the five-year renewal period was included in the lease term. The landlord was notified on April 25, 2023, of the Company's intent to exercise its option to extend the lease.

On March 31, 2024, the Company's office space lease, which was set to expire on April 30, 2024, was amended to extend the lease term (effective May 1, 2024) for twenty-five months. The amended lease contains no option to extend the lease beyond May 31, 2026. The amended lease requires base rent of approximately \$4,398 per month, including the first two months at 50% of base rent and a 3% increase in base rent for the final thirteen months of the lease. Operating lease right-of-use assets and operating lease liabilities were remeasured as of the effective date of the amended lease and resulted in the following: net decrease in ROU operating lease assets of \$126,746; net decrease in operating lease liabilities of \$144,479; and a gain on remeasurement of \$17,733.

Notes to Consolidated Financial Statements--Continued

Putt-Putt, LLC and Affiliate

NOTE D -- OPERATING LEASE RIGHT-OF-USE ASSETS/LIABILITIES -- Continued

Copier Lease: In June 2022, the Company entered into a copier lease that expires in August 2026. The lease requires monthly payments and provides a fair value purchase option at the end of the lease term. The purchase option is not expected to be exercised.

Vehicle Lease: In August 2022, the Company entered into a 30-month vehicle lease. The lease required monthly payments, as well as a residual value purchase option at the end of the lease term. The lease was terminated and paid out in August 2024, at which time the Company entered into a new 3-year lease agreement for a replacement vehicle that expires in August 2027.

The following summarizes the line items in the consolidated balance sheets that pertain to operating leases:

	December 31,	
	2024	2023
Operating lease right-of-use assets, net:		
Office space	\$ 69,148	\$ 240,309
Copier	3,042	4,769
Vehicle	21,039	9,691
Total operating lease right-of-use assets, net	<u>\$ 93,229</u>	<u>\$ 254,769</u>
Operating lease liabilities, current portion	\$ 60,140	\$ 50,542
Operating lease liabilities, noncurrent portion	36,920	221,509
Total operating lease liabilities	<u>\$ 97,060</u>	<u>\$ 272,051</u>

The following summarizes the operating lease costs included in operating expenses in the consolidated statements of operations:

	Years Ended December 31,	
	2024	2023
Operating lease costs:		
Office space	\$ 52,199	\$ 50,270
Copier	2,356	1,977
Vehicle	9,535	8,338
Total operating lease costs	<u>\$ 64,090</u>	<u>\$ 60,585</u>

The following summarizes the weighted average remaining lease term and discount rate for operating leases:

	December 31,	
	2024	2023
Weighted Average Remaining Lease Term	1.69 years	5.07 years
Weighted Average Discount Rate	6.62%	3.88%

Refer also to the accompanying consolidated statements of cash flows for information regarding the impact of operating leases on *cash provided by operating activities* and *noncash investing and financing activities* for the years ended December 31, 2024 and 2023.

Notes to Consolidated Financial Statements--Continued

Putt-Putt, LLC and Affiliate

NOTE D -- OPERATING LEASE RIGHT-OF-USE ASSETS/LIABILITIES -- Continued

Minimum lease payments required under operating leases at December 31, 2024, are as follows:

<u>Years Ending December 31,</u>	
2025	\$ 64,751
2026	32,865
2027	<u>5,139</u>
Total minimum lease payments	102,755
Less: Interest	<u>(5,695)</u>
Present value of operating lease liabilities	<u>\$ 97,060</u>

NOTE E -- RELATED PARTY TRANSACTIONS (not otherwise disclosed)

The Company recognized franchise fees from Millstone Golf & Games, LLC of approximately \$53,071 and \$81,065 in 2024 and 2023, respectively. (The Company's member holds a 50% interest in Millstone Golf & Games, LLC at December 31, 2024, and previously held a minority interest in the franchisee at December 31, 2023.) The Company recognized management fees of \$46,609 and \$68,768 from the franchisee in 2024 and 2023, respectively. At December 31, 2024 and 2023, *related party receivables* include amounts due for management fees of \$19,662 and \$5,342, respectively. *Trade receivables* include amounts due from the franchisee of \$1,576 and \$1,447 at December 31, 2024 and 2023, respectively.

In May 2014, the Company's Lynchburg franchisee entered into a lease-to-own arrangement with Putt-Putt of Lynchburg, LLC, an entity owned by the Company's member. In May 2022, Putt-Putt of Lynchburg, LLC completed the acquisition. The Company recognized franchise fees of approximately \$48,708 and \$52,653 in 2024 and 2023, respectively. The Company recognized management fees of \$42,006 and \$44,606 from the franchisee in 2024 and 2023, respectively. At December 31, 2024 and 2023, *related party receivables* include amounts due for management fees of \$20,074 and \$30,480, respectively. *Trade receivables* include amounts due from the franchisee of \$1,192 and \$1,966 at December 31, 2024 and 2023, respectively.

NOTE F -- SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 24, 2025, the date on which the consolidated financial statements were available to be issued. No further adjustments to or disclosures in the consolidated financial statements are considered necessary.

Audited Consolidated Financial Statements

Putt-Putt, LLC and Affiliate

Years Ended December 31, 2023 and 2022

Audited Consolidated Financial Statements

Putt-Putt, LLC and Affiliate

Years Ended December 31, 2023 and 2022

Independent Auditor's Report	1
Consolidated Balance Sheets.....	3
Consolidated Statements of Operations.....	4
Consolidated Statements of Changes in Equity	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7



Independent Auditor's Report

To the Member
Putt-Putt, LLC and Affiliate
Chapel Hill, North Carolina

Opinion

We have audited the accompanying consolidated financial statements of Putt-Putt, LLC and Affiliate, which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the related consolidated statements of operations, changes in equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Putt-Putt, LLC and Affiliate as of December 31, 2023 and 2022, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Putt-Putt, LLC and Affiliate, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Putt-Putt, LLC and Affiliate's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

Independent Auditor's Report--Continued

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Putt-Putt, LLC and Affiliate's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Putt-Putt, LLC and Affiliate's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Romeo, Wiggins & Company, L.L.P.

Raleigh, North Carolina
April 24, 2024

Consolidated Balance Sheets

Putt-Putt, LLC and Affiliate

December 31, 2023 and 2022

	2023	2022
Assets		
Current assets:		
Cash	\$ 281,910	\$ 286,889
Trade receivables, net an allowance of \$900 in 2023 and \$600 in 2022	40,568	31,293
Related party receivables, net an allowance of \$0 in 2023 and 2022	40,822	17,022
Prepaid income taxes	1,789	-
Other prepaid assets	3,115	6,574
Deferred tax asset - current	1,544	-
TOTAL CURRENT ASSETS	<u>369,748</u>	<u>341,778</u>
Fixed assets, net of accumulated depreciation/amortization	67,822	69,114
Operating lease right-of-use assets, net	254,769	303,690
Other assets:		
Note receivable	-	23,410
Security deposit	4,000	4,000
Trademarks	253,500	253,500
Goodwill	621,541	621,541
Franchise agreements, net of accumulated amortization of \$67,632 in 2023 and 2022	<u>-</u>	<u>-</u>
	<u>879,041</u>	<u>902,451</u>
TOTAL ASSETS	<u>\$ 1,571,380</u>	<u>\$ 1,617,033</u>
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 16,445	\$ 4,686
Operating lease liabilities, current portion	50,542	47,494
Deferred revenue, current portion	3,042	500
Income taxes payable	-	1,292
TOTAL CURRENT LIABILITIES	<u>70,029</u>	<u>53,972</u>
Operating lease liabilities, noncurrent portion	221,509	272,051
Deferred revenue, noncurrent portion	-	3,042
TOTAL LIABILITIES	<u>291,538</u>	<u>329,065</u>
Equity:		
Putt-Putt, LLC:		
Member's equity	785,259	788,208
Putt-Putt Marketing, Inc. (Affiliate):		
Stockholder's equity:		
Common stock, \$1 par, 1 share authorized, issued and outstanding in 2023 and 2022	1	1
Additional paid-in capital	104,999	104,999
Retained earnings	<u>389,583</u>	<u>394,760</u>
	<u>494,583</u>	<u>499,760</u>
TOTAL EQUITY	<u>1,279,842</u>	<u>1,287,968</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 1,571,380</u>	<u>\$ 1,617,033</u>

See accompanying independent auditor's report and notes to consolidated financial statements.

Consolidated Statements of Operations

Putt-Putt, LLC and Affiliate

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenues:		
Franchise fees and assessments	\$ 404,209	\$ 404,017
Annual marketing fees	1,850	1,850
Management fee revenue	113,374	124,193
Commissions on product sales	40,851	21,050
Other	4,171	-
	<u>564,455</u>	<u>551,110</u>
Operating expenses	<u>362,832</u>	<u>313,130</u>
Net operating income	<u>201,623</u>	<u>237,980</u>
Other income (expenses):		
Interest income	8,300	5
Gain (loss) on disposal of assets	165	(9,672)
Interest expense	-	(1,292)
	<u>8,465</u>	<u>(10,959)</u>
Net income before provision for income taxes	210,088	227,021
Income tax benefit (expense) of Affiliate	<u>1,550</u>	<u>(2,456)</u>
Net income	<u>\$ 211,638</u>	<u>\$ 224,565</u>

See accompanying independent auditor's report and notes to consolidated financial statements.

Consolidated Statements of Changes in Equity

Putt-Putt, LLC and Affiliate

Years Ended December 31, 2023 and 2022

	<u>Putt-Putt, LLC</u> <u>Member's</u> <u>Equity</u>	<u>Affiliate</u> <u>Stockholder's</u> <u>Equity</u>	<u>Total</u> <u>Equity</u>
Balance - December 31, 2021	\$ 737,059	\$ 491,522	\$ 1,228,581
Net income	216,327	8,238	224,565
Contributed capital	-	-	-
Distributions	<u>(165,178)</u>	<u>-</u>	<u>(165,178)</u>
Balance - December 31, 2022	788,208	499,760	1,287,968
Net income (loss)	216,815	(5,177)	211,638
Contributed capital	-	-	-
Distributions	<u>(219,764)</u>	<u>-</u>	<u>(219,764)</u>
Balance - December 31, 2023	<u>\$ 785,259</u>	<u>\$ 494,583</u>	<u>\$ 1,279,842</u>

See accompanying independent auditor's report and notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Putt-Putt, LLC and Affiliate

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
OPERATING ACTIVITIES:		
Net income	\$ 211,638	\$ 224,565
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	9,761	10,197
(Gain) loss on disposal of fixed assets	(165)	9,672
Increase in allowance for credit losses	300	100
Charge-off of note receivable	23,410	-
Changes in operating assets and liabilities:		
Trade receivables	(9,575)	(7,598)
Related party receivables	(23,800)	9,573
Prepaid income taxes	(1,789)	-
Other prepaid assets	3,459	352
Deferred tax asset	(1,544)	-
Operating lease right-of-use assets	48,921	15,903
Accounts payable and accrued expenses	11,759	(10,590)
Income taxes payable	(1,292)	260
Operating lease liabilities	(47,494)	(12,784)
Deferred lease liability	-	-
Deferred revenue	(500)	(500)
Net cash provided by operating activities	<u>223,089</u>	<u>239,150</u>
INVESTING ACTIVITIES:		
Proceeds from disposal of fixed assets	165	-
Purchases of fixed assets	(8,469)	(26,254)
Net cash used in investing activities	<u>(8,304)</u>	<u>(26,254)</u>
FINANCING ACTIVITIES:		
Principal payments on notes payable to member	-	(40,000)
Distributions to member	(219,764)	(165,178)
Net cash used in financing activities	<u>(219,764)</u>	<u>(205,178)</u>
Net change in cash	(4,979)	7,718
Cash, beginning of year	<u>286,889</u>	<u>279,171</u>
Cash, end of year	<u>\$ 281,910</u>	<u>\$ 286,889</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid on notes payable to member	\$ -	\$ 1,292
Income taxes paid	3,075	426
NONCASH INVESTING AND FINANCING ACTIVITIES:		
Upon adoption of <i>ASC Topic 842 - Leases</i> as of January 1, 2022:		
Increase in operating lease right-of-use assets	\$ -	\$ (319,593)
Increase in operating lease liabilities	-	332,329
Decrease in deferred lease liability	-	(12,736)

See accompanying independent auditor's report and notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Putt-Putt, LLC and Affiliate

Years Ended December 31, 2023 and 2022

NOTE A -- THE REPORTING ENTITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: Putt-Putt, LLC (the Company) was formed as a North Carolina member-managed Limited Liability Company in December 2004. The Company's operations consist of franchising Putt-Putt Fun Centers facilities throughout the United States and foreign markets. The Company had 29 franchises at December 31, 2023 and 2022. By its articles of organization, Putt-Putt, LLC is to dissolve on or before December 31, 2032.

Putt-Putt Marketing, Inc. (Affiliate) provides advertising for all Putt-Putt franchisees. The Affiliate is owned by the member of Putt-Putt, LLC and guarantees the obligations of Putt-Putt, LLC to its franchisees.

Basis of Presentation: The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles and include the accounts of Putt-Putt, LLC and Putt-Putt Marketing, Inc. as further detailed in *Principles of Consolidation*.

Principles of Consolidation: Putt-Putt Marketing, Inc. provides marketing services to franchisees of Putt-Putt, LLC in exchange for certain franchise fees. The Affiliate's revenues are substantially all dependent on the contractual relationship that Putt-Putt, LLC has with franchisees. The Company, as the *primary beneficiary*, is required to consolidate the activity of Putt-Putt Marketing, Inc., a *variable interest entity*, for purposes of U.S. generally accepted accounting principles. All significant intercompany transactions have been eliminated in consolidation.

Summarized financial information for Putt-Putt Marketing, Inc. as of and for the years ended December 31, 2023 and 2022 (prior to intercompany eliminations) is as follows:

	2023	2022
Franchise fees	\$ 120,025	\$ 118,668
Net (loss) income	(5,177)	8,238
Assets – including goodwill	585,669	548,152
Equity	494,583	499,760

Franchise fees for marketing are specifically required by the Company's franchise agreements and are based on a percentage of the franchisee's cash receipts. Revenues are recognized in the period for which cash receipts are reported by franchisees. (Refer also to *Franchise Fees* in Note A herein.) At December 31, 2023 and 2022, assets of the Affiliate include \$126,000 and \$90,988, respectively, due from Putt-Putt, LLC for franchise fees collected on behalf of Putt-Putt Marketing, Inc. Management fee expenses of \$60,013 and \$59,332 were recognized by the Affiliate in 2023 and 2022, respectively, for services provided by Putt-Putt, LLC. The Affiliate owed net advances of \$86,283 and \$45,942 to Putt-Putt, LLC at December 31, 2023 and 2022, respectively. No assets of Putt-Putt, LLC serve as collateral for the Affiliate's liabilities; neither is Putt-Putt, LLC subject to recourse of the Affiliate's creditors.

Adoption of New Accounting Standard: In June 2016, the FASB issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments-Credit Losses, Topic 326*, which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model (referred to as CECL, *Current Expected Credit Loss*). Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Company that are subject to the guidance in FASB ASC 326 are trade receivables, related party receivables, and a note receivable.

The Company adopted the standard on its effective date of January 1, 2023. The impact of the adoption was not considered material to the consolidated financial statements and resulted primarily in new/enhanced disclosures.

Putt-Putt, LLC and Affiliate

NOTE A -- THE REPORTING ENTITIES AND SIGNIFICANT ACCOUNTING POLICIES -- Continued

Recognition of Revenue: The Company recognizes revenue from contracts with customers in accordance with FASB ASC Topic 606, whereby revenue is recognized when control of the promised goods or services are transferred to customers in an amount that reflects the consideration expected to be received for those goods or services. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied. The Company has several revenue sources that are accounted for as exchange transactions, including franchise fees, termination fees (if any), management fees, and commissions on product sales.

Franchise Fees: Topic 606 requires the portion of the initial franchise fee (or renewal fee) attributable to the grant of the intellectual property license to be deferred and recognized over the term of the related franchise agreement. The Company's franchise agreements generally have terms of twenty or forty years. The impact of the deferral of initial franchise and renewal fees received in a given year may be offset by the recognition of revenue from fees retrospectively deferred from prior years.

In addition, Topic 606 requires the franchisor to identify separate performance obligations to franchisees. The Company identified the following separate and distinct performance obligations under its franchise agreements: the franchise right, site selection services, and general training services. Site selection and general training services are typically complete when a franchise commences operations. Under Topic 606, the Company recognizes the portion of the initial franchise fee (or renewal fee) attributable to these upfront services upon commencement of franchise operations. Often, the fair value of site selection and general training services to the franchisee exceeds the initial franchise or renewal fee, resulting in a relatively small portion, if any, of the initial franchise fee (or renewal fee) being deferred and recognized over the franchise term. Deferred revenue at December 31, 2023 and 2022 relates to a franchise agreement scheduled to expire on January 21, 2030. Deferred revenue decreased by \$500 in 2023 and 2022 due to the recognition of revenue that was included in deferred revenue at the beginning of each year.

The Company's franchise agreements also provide for ongoing fees based on a percentage of the franchisee's gross receipts. These "royalty" fees meet the criteria to be subject to the sales and usage-based royalties' exception in Topic 606 for licenses of intellectual property. Consequently, these fees are recognized (and are payable) monthly, based on gross receipts reported by franchisees.

Termination Fees: Termination fees are due in the event of early termination, as defined by contract, and are recognized in full at that time.

Management Fee Revenue: The Company provides management services on an ongoing basis to two fully-affiliated franchisees that are owned wholly or in part by the Company's member. Management fee revenue is recognized (and billed) monthly, with fees based on a percentage of the locations' revenues as defined by contract. Refer also to *Note E-- Related Party Transactions*.

Commissions on Product Sales: Commissions on product sales are recognized (and are payable) monthly based on a percentage of product sales as defined by contract.

Cash Equivalents: The Company and Affiliate consider all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Neither the Company nor the Affiliate held cash equivalents at December 31, 2023 and 2022.

Cash in Excess of Insured Limits: The Company and Affiliate hold cash on deposit with a bank. These balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per account holder, per bank. The Company's bank holdings exceeded federally insured limits by approximately \$29,000 at December 31, 2023.

Putt-Putt, LLC and Affiliate

NOTE A -- THE REPORTING ENTITIES AND SIGNIFICANT ACCOUNTING POLICIES -- Continued

Trade Receivables (including a significant concentration and a subsequent event): Trade receivables consist of amounts due from franchisees and are recorded net of an allowance for credit losses. Management provides an allowance for credit losses based on an aging of accounts and historical experience with franchisees. A trade receivable is considered to be past due if any portion of the receivable balance is outstanding for more than 90 days. Receivables are written off against the allowance when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. Trade receivables at December 31, 2023 and 2022 were reported net of an allowance for credit losses of \$900 and \$600, respectively. Receivables are due within a year and are primarily unsecured.

At December 31, 2023, approximately 33% of trade receivables is due from a single franchisee, all of which was collected subsequently.

Related Party Receivables (including a significant concentration): Related party receivables consist primarily of amounts due from two franchisees that are owned wholly or in part by the Company's member. Based on the collection history, the financial health of these franchisees, and the common ownership, management has provided no allowance for credit losses at December 31, 2023 and 2022. All amounts due from these franchisees are considered collectible. Receivables are due within a year and are primarily unsecured. Refer also to *Note E--Related Party Transactions*.

Fixed Assets: Fixed assets are recorded at cost. Depreciation is generally computed using the straight-line method over the estimated useful lives of the related assets ranging from 5 to 15 years. Repairs and maintenance costs are charged to operations as incurred. Depreciation and amortization expense for the years ended December 31, 2023 and 2022 was \$11,731 and \$10,197, respectively. Fixed assets having a net book value of \$9,672 were written off in 2022, since no longer used by the Company. Management reviews fixed assets for impairment at least annually. When necessary, management records charges for impairment of fixed assets in the amount by which the present value of future cash flows, or some other fair value measure, falls short of the carrying value of these assets. No impairment losses were recognized in 2023 and 2022.

Right-of-Use Assets/Lease Liabilities (since the adoption of FASB ASC 842): Upon commencement of a lease, the Company (as lessee) determines its total lease payments required over the lease term (the noncancelable period of the lease and any option periods for which the Company is reasonably certain to exercise its option). Lease payments generally include the following: fixed payments, less any lease incentives paid or payable to the lessee; variable lease payments that depend on an index or rate; and the exercise price of a reasonably certain option to purchase the underlying asset. The lease liability is recorded at the present value of the lease payments not yet paid. The related right-of-use (ROU) asset is recorded at cost and generally consists of the following: the amount of the measurement of the initial lease liability; any lease payments made to the lessor at or before the commencement date, minus any lease incentives received; and any initial direct costs incurred by the lessee.

For operating leases, the Company recognizes a single lease cost calculated so that the remaining cost of the lease is allocated over the remaining lease term on a straight-line basis (unless another systematic basis is more representative of the benefit pattern). The remeasured right-of-use asset is generally carried at the amount of the remeasured lease liability, adjusted for cumulative prepaid or accrued rent if the lease payments are uneven throughout the lease term, unamortized lease incentives, unamortized initial direct costs, and any impairment of the ROU asset.

For finance leases, right-of-use assets are recorded net of accumulated amortization, with amortization expense generally recognized on a straight-line basis over the lease term or the estimated useful life of the asset. Interest expense is recognized on the lease liability such that at all points during the lease, the lease liability reflects the present value of all remaining lease payments.

Refer also to *Note D--Operating Lease Right-of-Use Assets/Liabilities*.

Putt-Putt, LLC and Affiliate

NOTE A -- THE REPORTING ENTITIES AND SIGNIFICANT ACCOUNTING POLICIES -- Continued

Trademarks: Trademarks acquired in conjunction with the Agreement and Plan of Merger between Putt-Putt, LLC (surviving entity) and Putt-Putt Golf Courses of America, Inc. effective December 31, 2004, are carried at fair value at date of acquisition and are considered to be indefinite-lived assets, as reassessed annually. Trademarks are evaluated for impairment annually, or more often if events or changes in circumstances indicate that the asset may be impaired. If the carrying amount exceeds the fair value, an impairment loss is recognized in an amount equal to the excess. No such excesses were identified at December 31, 2023 and 2022; therefore, no impairment losses were recognized in 2023 and 2022.

Goodwill: Goodwill of \$218,000 was acquired by the Company in connection with the Agreement and Plan of Merger between Putt-Putt, LLC (surviving entity) and Putt-Putt Golf Courses of America, Inc. effective December 31, 2004. Goodwill of \$403,541 was acquired in connection with the step-up acquisition of the Affiliate's stock effective December 31, 2004, whereby the now sole stockholder went from having a 50% interest to a 100% interest in the Affiliate. Goodwill is valued at the excess of purchase price over the fair value of the identifiable net assets acquired. Goodwill is evaluated for impairment annually, or more often if events or changes in circumstances indicate that the asset may be impaired. The Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is less than the carrying value, including goodwill. Management determined that this was not the case at December 31, 2023 and 2022. No other testing for goodwill impairment was deemed necessary. No impairment losses were recognized in 2023 and 2022.

Franchise Agreements: Franchise agreements acquired in conjunction with the Agreement and Plan of Merger between Putt-Putt, LLC (surviving entity) and Putt-Putt Golf Courses of America, Inc. effective December 31, 2004, are recorded at fair value at date of acquisition and were amortized over a ten-year life (fully amortized since December 31, 2014).

Income Taxes: The Company is a nontaxable limited liability company whose items of income and expense and gains and losses are reported on the returns of the member. Distributions may be made to the member in amounts that approximate the related personal income tax liability associated with the Company's taxable activities or for other purposes.

Deferred taxes relate to the taxable Affiliate and are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in the tax laws and rates on the date of enactment. The Affiliate reported deferred tax assets of \$1,544 and \$0 at December 31, 2023 and 2022, respectively, and a valuation allowance of \$0 at December 31, 2023 and 2022.

Management is aware of no material uncertain tax positions; therefore, no liability has been recorded for such at December 31, 2023 and 2022.

Fair Value of Financial Instruments: The carrying values of receivables and accounts payable and accrued expenses are considered to approximate the fair values of such at December 31, 2023 and 2022, due to the short-term maturity of these financial instruments. The operating lease liabilities are carried at the net present value of remaining lease payments, which approximates the fair value of the liabilities.

Use of Estimates: The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Management believes that such estimates have been based on reasonable and supportable assumptions and the resulting estimates are reasonable for use in the preparation of the consolidated financial statements. Actual results could differ from these estimates.

Notes to Consolidated Financial Statements--Continued

Putt-Putt, LLC and Affiliate

NOTE A -- THE REPORTING ENTITIES AND SIGNIFICANT ACCOUNTING POLICIES -- Continued

Reclassifications: Certain amounts in the accompanying 2022 consolidated financial statements have been reclassified to conform to the current year presentation.

NOTE B -- NOTE RECEIVABLE

The Company carried a balance on a no-interest, demand note receivable for a number of years. At December 31, 2022 and at January 1, 2023, the date on which the Company adopted the *Current Expected Credit Loss* standard (as described in Note A herein), the note had an outstanding balance of \$23,410 that management considered to be fully collectible. In June 2023, the noteholder returned certain branded products related to the note. The majority of these products were scrapped and the Company charged the note balance of \$23,410 to marketing expense.

NOTE C -- FIXED ASSETS

Fixed assets consist of the following at December 31:

	2023	2022
Furniture and computer equipment	\$ 42,306	\$ 37,376
Website development costs	76,900	76,900
Leasehold improvements	7,380	7,380
	126,586	121,656
Less: Accumulated depreciation and amortization	(60,734)	(52,542)
	<u>\$ 65,852</u>	<u>\$ 69,114</u>

Refer also to *Note D--Operating Lease Right-of-Use Assets/Liabilities*.

NOTE D -- OPERATING LEASE RIGHT-OF-USE ASSETS/LIABILITIES

The Company adopted FASB ASU No. 2016-02, *Leases (Topic 842)*, as of January 1, 2022, and elected the package of transition practical expedients, as previously reported. The Company also elected the practical expedient to not separate lease components from nonlease components for all leases. The Company also made an accounting policy election to not record leases with an initial term of 12 months or less on the balance sheet; related lease payments will instead be recognized in the statement of operations on a straight-line basis over the lease term.

The following summarizes the line items in the consolidated balance sheets that pertain to operating leases:

	December 31, 2023	2022
Operating lease right-of-use assets, net:		
Office space	\$ 240,309	\$ 280,141
Copier	4,769	6,392
Vehicle	9,691	17,157
Total operating lease right-of-use assets, net	<u>\$ 254,769</u>	<u>\$ 303,690</u>
Operating lease liabilities, current portion	\$ 50,542	\$ 47,494
Operating lease liabilities, noncurrent portion	221,509	272,051
Total operating lease liabilities	<u>\$ 272,051</u>	<u>\$ 319,545</u>

Putt-Putt, LLC and Affiliate

NOTE D -- OPERATING LEASE RIGHT-OF-USE ASSETS/LIABILITIES -- Continued

The following summarizes the operating lease costs included in operating expenses in the consolidated statements of operations:

	Years Ended December 31,	
	2023	2022
Operating lease costs:		
Office space	\$ 50,270	\$ 50,270
Copier	1,977	1,235
Vehicle	8,338	2,432
Total operating lease costs	<u>\$ 60,585</u>	<u>\$ 53,937</u>

The terms and conditions of the Company's operating leases for 2023 and 2022 are as follows:

Office Lease: The Company moved its home office from Winston Salem to Chapel Hill in December 2017. The Company began leasing office space in Chapel Hill effective December 15, 2017 (per a lease modification dated January 2, 2018). Rent payments were abated for the first five full months of the lease, with monthly Base Rent of \$3,518.67 required from June to December 2018. The lease requires monthly payments through its expiration on April 30, 2024, with rentals increasing by approximately 3% annually. Beginning January 1, 2019, the lease also requires monthly payments of Additional Rent based on the Company's proportionate share of the lessor's Operating Expenses over the Base Operating Expense Factor. No Additional Rent was charged for 2023 and 2022.

The office lease provides for one five-year extension if notice is given at least twelve months prior to the expiration of the lease. At January 1, 2022, the date on which FASB ASC 842 was adopted, management was reasonably certain that the Company would exercise its option to extend the lease. Therefore, the term of the lease under FASB ASC 842 includes the five-year extension period. The landlord was notified on April 25, 2023, of the Company's intent to exercise its option to extend the lease. Refer also to the *Subsequent Event* that follows, as pertains to a subsequent modification of the Company's office lease.

Copier Lease: In June 2022, the Company entered into a copier lease that expires in August 2026. The lease requires monthly payments and provides a fair value purchase option at the end of the lease term. The purchase option is not expected to be exercised.

Vehicle Lease: In August 2022, the Company entered into a vehicle lease that expires in February 2025. The lease requires monthly payments and provides a purchase option at the end of the lease term. The purchase option is not expected to be exercised. The Company formerly leased a vehicle under a lease that expired in August 2022. The Company recognized lease expense under the former lease of \$4,123 in 2022.

The following summarizes the weighted average remaining lease term and discount rate for operating leases:

	December 31,	
	2023	2022
Weighted Average Remaining Lease Term	5.07 years	6.06 years
Weighted Average Discount Rate	3.88 %	3.94 %

Notes to Consolidated Financial Statements--Continued

Putt-Putt, LLC and Affiliate

NOTE D -- OPERATING LEASE RIGHT-OF-USE ASSETS/LIABILITIES -- Continued

Subsequent Event – Office Lease Modification: The Company's office lease was modified on March 31, 2024, to extend the term for two years and one month. The lease was set to expire on April 30, 2024, if not otherwise extended. The amended lease requires base rent of approximately \$4,398 per month, including the first two months at 50% of base rent and a 3% increase in base rent for the final thirteen months of the lease. Operating lease right-of-use assets and operating lease liabilities will be remeasured as of the lease amendment's commencement date of May 1, 2024.

Minimum lease payments required under operating leases at December 31, 2023, after giving effect to the subsequent amendment of the office lease, are as follows:

Years Ending December 31,

2024	\$ 57,466
2025	57,331
2026	<u>24,055</u>
Total minimum lease payments	138,852
Less: Interest	<u>(11,099)</u>
Present value of operating lease liabilities	<u>\$ 127,753</u>

NOTE E -- RELATED PARTY TRANSACTIONS (not otherwise disclosed)

The Company recognized franchise fees from Millstone Golf & Games, LLC (a company in which the Company's member has a minority interest) of approximately \$81,065 and \$91,672 in 2023 and 2022, respectively. The Company recognized management fees of \$68,768 and \$79,412 from the franchisee in 2023 and 2022, respectively. At December 31, 2023 and 2022, *related party receivables* include amounts due for management fees of \$5,342 and \$5,437, respectively. *Trade receivables* includes amounts due from the franchisee of \$1,447 and \$411 at December 31, 2023 and 2022, respectively.

In May 2014, the Company's Lynchburg franchisee entered into a lease-to-own arrangement with Putt-Putt of Lynchburg, LLC, an entity owned by the Company's member. In May 2022, Putt-Putt of Lynchburg, LLC completed the acquisition. The Company recognized franchise fees of approximately \$52,653 and \$52,025 in 2023 and 2022, respectively. The Company recognized management fees of \$44,606 and \$44,781 from the franchisee in 2023 and 2022, respectively. At December 31, 2023 and 2022, *related party receivables* include amounts due for management fees of \$30,480 and \$4,249, respectively. *Trade receivables* includes amounts due from the franchisee of \$1,966 and \$269 at December 31, 2023 and 2022, respectively. All amounts due from the Lynchburg franchisee at December 31, 2023, were collected subsequently.

The Company paid off an unsecured note payable of \$40,000 to its member in April 2022. The note required monthly interest payments at 7%.

NOTE F -- SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 24, 2024, the date on which the consolidated financial statements were available to be issued. No further adjustments to or disclosures in the consolidated financial statements are considered necessary.

GUARANTEE OF PERFORMANCE

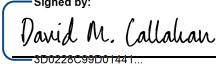
For value received, Putt-Putt Marketing, Inc., a North Carolina Corporation, (the “Guarantor”), located at 1414 Raleigh Road, Suite 410, Chapel Hill, North Carolina, 27517, absolutely and unconditionally guarantees to assume the duties and obligations of Putt-Putt, LLC, located at 1414 Raleigh Road, Suite 410, Chapel Hill, North Carolina, 27517 (the “Franchisor”), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its April 24, 2025 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Chapel Hill, North Carolina, on 4/25/2025.

Guarantor: Putt-Putt Marketing, Inc.

By:

Signed by:


3D0228C99D01441...

Name: David M. Callahan

Title: President/CEO

EXHIBIT D
TO THE
DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

State	State Administrator	Agent for Service of Process
California	The Department of Financial Protection and Innovation 320 West 4th Street Los Angeles, CA 90013 651 Bannon Street, Suite 300 Sacramento, CA 95811 1-866-275-2677 1455 Frazee Rd, Suite 315 San Diego, CA 92108 One Sansome St, Suite 600 San Francisco, CA 94104 (866) 275-2677	Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4th Street Los Angeles, CA 90013
Connecticut	The Banking Commissioner The Department of Banking, Securities and Business Investment Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8299	The Banking Commissioner The Department of Banking, Securities and Business Investment Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8299
Hawaii	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706
Indiana	Secretary of State, Securities Division	Secretary of State, Securities Division

	302 West Washington Street, Room E-111 Indianapolis, IN 46204 (317) 232-6681	302 West Washington Street, Room E-111 Indianapolis, IN 46204
Kentucky	Kentucky Attorney General 700 Capitol Avenue Frankfort, Kentucky 40601-3449 (502) 696-5300	
Maryland	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Department of Attorney General Consumer Protection Division – Franchise Unit 525 W. Ottawa Street G. Mennen Building Lansing, MI 48913 (517) 335-7117	Department of Attorney General 525 W. Ottawa Street G. Mennen Building Lansing, MI 48913
Minnesota	Minnesota Commissioner of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198
Nebraska	Nebraska Department of Banking and Finance 1526 K Street, Suite 300 P.O. Box 95006 Lincoln, Nebraska 68509 (402) 471-3445	
New York	NYS Department of Law Investor Protection Bureau 28 Liberty St. 21 st Floor New York, NY 10005 212-416-8222	New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, New York 12231-0001 (518) 473-2492
North Dakota	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capital, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capital, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510
Rhode Island	Department of Business Regulation	Department of Business Regulation

	Securities Division John O. Pastore Complex 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920 (401) 462-9500	Securities Division John O. Pastore Complex 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920
South Dakota	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-4823	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501
Texas	Secretary of State Statutory Document Section P.O. Box 13193 Austin, TX 78711 (512) 475-0775	
Utah	Department of Commerce Division of Consumer Protection 160 East 300 South Salt Lake City, Utah 84111-0804 (801) 530-6601	
Virginia	State Corporation Commission Division of Securities and Retail Franchising, 9 th Floor 1300 E. Main Street Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Washington State Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507 (360) 902-8760	Securities Administrator Washington State Department of Financial Institutions 150 Israel Road SW Tumwater, WA 98501
Wisconsin	Wisconsin Department of Financial Institutions 345 West Washington Avenue Madison, WI 53703 (608)-266-8557	Wisconsin Department of Financial Institutions 345 West Washington Avenue Madison, WI 53703

**EXHIBIT E
TO THE
DISCLOSURE DOCUMENT**

**LIST OF FRANCHISEES
As of December 31, 2024**

Franchisee Name		Center Address	City	St	Zip	Center Phone
Cheryl Parreira & Alethea Jan Bateman		4307 Coffee Road	Modesto	CA	95357	209-578-4386
Tom	Miller	6 North Fletcher Avenue	Fernandina Beach	FL	32034	904-261-4443
Holiday Inn Club Vacations Inc.		8505 W. Irlo Bronson Memorial Hwy	Kissimmee	FL	34747	407-477-7025
Mark	Ross	3763 Martinez Boulevard	Martinez	GA	30907	706-868-0083
John	Snyder	4530 Speedway Drive	Fort Wayne	IN	46825	260-483-7618
John	Rice	3615 N Main Street	Mishawaka	IN	46545	574-259-4171
Kevin	Shea	3139 Dixie Highway	Erlanger	KY	41018	859-341-3144
Susan	Greenert	5720 Bardstown Road	Louisville	KY	40291	502-239-7336
Gregory	Simpson	620 Petro Point Drive	Lake Charles	LA	70607	337-480-1954
John	Wilder	1340 N. Church Street	Burlington	NC	27217	336-228-6217
Tim	Wilson	533 7 th Ave Place SW	Hickory	NC	28601	828-327-2316
Putt Putt Golf Course of High Point, Inc.		2418 North Main	High Point	NC	27260	336-869-4273
Millstone Partners, LLC		3311 Footbridge Lane	Hope Mills	NC	28306	910-424-7888
Jake	Womble	1608 White Lake Drive	Elizabethtown	NC	28337	910-862-4064
Lisa & Brian	Becher	8830 N State Route 66	Defiance	OH	43512	419-782-1801
Robert	Kokordik	5300 W. Baltimore Pike	Clifton Heights	PA	19018	610-626-5766
Thomas M.	Schunk	10770 Lebanon Road	Mt. Juliet	TN	37122	615-754-2744
Danny	Estes	319 Bluff City Highway	Bristol	TN	37620	423-764-7511
Danny	Estes	346 W. Stone Drive	Kingsport	TN	37660	423-247-3531
Aubrey	Smith	5484 Summer Avenue	Memphis	TN	38134	901-386-2992
Brian	Smith	2004 West Pleasant Ridge Road	Arlington	TX	76015	817-784-2695
Kenneth	Smith	609 NE Loop 820	Hurst	TX	76053	817-589-0523
Patsy	Wood	1515 Putt-Putt Place	Charlottesville	VA	22901	434-973-5509
Putt-Putt of Lynchburg, LLC		8105 Timberlake Road	Lynchburg	VA	24502	434-237-7888
David	Mitchell	6801 Peters Creek Road	Roanoke	VA	24019	540-366-3660

**EXHIBIT F
TO THE
DISCLOSURE DOCUMENT**

**LIST OF FORMER FRANCHISEES
(As of December 31, 2024)**

Below are the last names, location, and last known telephone numbers of Putt-Putt franchisees that were terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business with us during our fiscal year ending December 31, 2024, or who have not communicated with us within 10 weeks of this Disclosure Document's issuance date.

Franchisee Name		City	St	Phone	Reason
Briles	Ross	Modesto	CA		Death
Carl	Miller	Columbus	IN	812-371-0057	Non-renewal
Michael & Roberta	Cykon	Warren	OH	330-442-5042	Termination
Katherine	Adair	Tyler	TX	903-521-6260	Ceased Operations
Putt Putt Golf Course of Richmond, Inc.		Richmond	VA	804-873-0366	Termination

EXHIBIT G

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, 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:

State	Effective Date
Indiana	Pending
Virginia	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT H 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 Putt-Putt, 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 payment to, the franchisor or an affiliate in connection with the proposed franchise sale or grant.

Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 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.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

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

The franchisor is Putt-Putt, LLC, located at 1414 Raleigh Road, Suite 410, Chapel Hill, North Carolina 27517. Its telephone number is 866-788-8788.

Issuance Date: April 24, 2025

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

X	David M. Callahan, 1414 Raleigh Road, Suite 410, Chapel Hill, North Carolina 27517	866-788-8788
X	Teresa Greco, 1414 Raleigh Road, Suite 410, Chapel Hill, North Carolina 27517	866-788-8788

We authorize the respective state agencies identified on **Exhibit D** to receive service of process for us in the particular state.

I have received a Franchise Disclosure Document dated April 24, 2025 including the following exhibits on the date listed below:

Exhibits

- A Franchise Agreement and State-Required Addenda
 - Schedule 1- General Information
 - Schedule 2- Marks
 - Schedule 3- Putting Course Design
 - Schedule 4- General Release and Addendum to the Franchise Agreement
- B Additional State-Required Disclosures

- C Financial Statements and Guarantee of Performance
- D List of State Administrators and Agents for Service of Process
- E List of Franchisees
- F List of Former Franchisees
- G State Effective Dates
- H Receipts

Signature (individually and as an officer)

Print Name

Date Disclosure Document Received

Print Franchisee's Name (if an Entity)

TO BE RETAINED BY YOU

Phone Number

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 Putt-Putt, 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 payment to, the franchisor or an affiliate in connection with the proposed franchise sale or grant.

Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 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.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

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

The franchisor is Putt-Putt, LLC, located at 1414 Raleigh Road, Suite 410, Chapel Hill, North Carolina 27517. Its telephone number is 866-788-8788.

Issuance Date: April 24, 2025

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

X	David M. Callahan, 1414 Raleigh Road, Suite 410, Chapel Hill, North Carolina 27517	866-788-8788
X	Teresa Greco, 1414 Raleigh Road, Suite 410, Chapel Hill, North Carolina 27517	866-788-8788

We authorize the respective state agencies identified on **Exhibit D** to receive service of process for us in the particular state.

I have received a Franchise Disclosure Document dated April 24, 2025 including the following exhibits on the date listed below:

Exhibits

- A Franchise Agreement and State-Required Addenda
 - Schedule 1- General Information
 - Schedule 2- Marks
 - Schedule 3- Putting Course Design
 - Schedule 4- General Release and Addendum to the Franchise Agreement
- B Additional State-Required Disclosures
- C Financial Statements and Guarantee of Performance

- D List of State Administrators and Agents for Service of Process
- E List of Franchisees
- F List of Former Franchisees
- G State Effective Dates
- H Receipts

Signature (individually and as an officer)

Print Name

Print Franchisee's Name (if an Entity)

Phone Number

Date Disclosure Document Received

TO BE RETURNED TO:

Putt-Putt, LLC
1414 Raleigh Road, Suite 410
Chapel Hill, North Carolina 27517