

FRANCHISE DISCLOSURE DOCUMENT



X GOLF Franchise Corporation
A California corporation
1963 Del Amo Blvd
Torrance, CA 90501
(323) 400-6611
www.playxgolf.com

As an X-Golf franchisee, you will operate an indoor golf entertainment facility serving food and beverages in a fun and upbeat atmosphere. The experience will center around the use of golf simulators which provide an opportunity for customers to play golf indoors on a simulator machine. The customers will range from avid golf enthusiasts to first-time golfers seeking a fun experience.

The total investment necessary to begin operation of an X-Golf franchise is \$1,132,630 to \$1,749,800. This includes \$447,850-\$578,850 ~~\$435,000 to \$715,000~~ 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. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, please contact Anna De'Nooijer at 1963 Del Amo Blvd, Torrance, CA 90501 and (586) 405-0544.

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 21, 2025 amended May 29, 2025,

the individual Defendants, in their capacities as shareholders, officers and/or directors of XGA, breached their duties of loyalty, care and good faith by requiring Michigan franchisees to enter into Consulting Agreements with their entity, X Golf Michigan, LLC whereby by such franchisees paid up to an additional 4% royalty. Such transactions unjustly enriched Defendants by usurping corporate opportunities for their own personal benefit to the detriment of XGA, without its knowledge or authorization. Defendants are in the process of being served as of the amended date of this disclosure document.

No other 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

Franchise Fee

When you sign your franchise agreement, you must pay us \$40,000 as the initial franchise fee. In 2024, this fee ranged from \$20,000 to \$35,000. Otherwise, this fee is uniform. [In Minnesota, the Minnesota Department of Commerce has required us to defer your payment of the initial franchise fee until your business has been opened.](#)

Opening Deadline Extension Fee

You must open for business within 12 months after signing your franchise agreement. For each 30-day period that you are not open beyond the opening deadline, we will charge \$5,000 per month for each of the first six months, and thereafter \$10,000 per month. We reserve the right to waive the fee if the delay is due to circumstances beyond your control.

Golf Simulators

You will purchase six to eight X-Golf simulators from our parent company, X GOLF America, Inc., at a cost ranging from \$407,850 to \$536,500 (including base price, shipping, and installation). The exact cost per machine may vary according to factors such as shipping and installation costs. You pay 50% of the purchase price upon ordering, and the remaining 50% before the simulators are shipped to you.

Inventory - Other	\$8,000 - \$10,000	Check, debit, and/or credit	Upon ordering	Approved suppliers and vendors
Licenses and Permits (See Note 5)	\$4,500 - \$40,000	Check	Upon application	Government
Professional Fees (lawyer, accountant, etc.)	\$2,500 - \$7,500	Check, debit, and/or credit	As incurred or when billed	Professional service firms
Travel, lodging and meals for initial training	\$2,000 - \$5,000	Check, debit, and/or credit	As incurred	Airlines, hotels, and restaurants
Additional funds (for first 3 months) (see Note 6)	\$60,000 - \$90,000	Varies	As incurred	Employees, suppliers, utilities
Total	\$1,132,630 - \$1,749,800			

Notes

1. The initial franchise fees are paid in a lump sum and are non-refundable. Your lease security deposit and utility deposits will usually be refundable unless you owe money to the landlord or utility provider. None of the other expenditures in this table will be refundable. Neither we nor any affiliate finances any part of your initial investment. [As referenced in Item 5 payment of the initial franchise fee in Minnesota shall be deferred until the franchisee opens for business.](#)

2. Our estimates in this table assume you pay one month rent plus a security deposit before you open for business. For this to occur, you would need to negotiate a “free rent” period for the time it takes to build out your business. We expect that you will rent your location. If you choose to purchase real estate instead of renting, your costs will be significantly different. The average unit will range from 5,500 to 10,000 square feet and will be located in a retail environment with high vehicle and/or foot traffic. It is difficult to estimate lease acquisition costs because of the wide variation in these costs between various locations. Lease costs will vary based upon square footage and cost per square foot.

3. The cost of your buildout will depend on various factors, including size of the premises, the condition of the premises, local construction costs, and the amount of work (if any) performed by the landlord. Our estimate assumes construction starting from a “vanilla shell”.

Confidentiality Clauses

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

Franchisee Organizations

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

Item 21 FINANCIAL STATEMENTS

Exhibit F contains our [unaudited income statement for the period of January 1, 2025 – March 31, 2025](#) and [unaudited balance sheet dated March 31, 2025](#) as well as our audited financial statements as of December 31, 2024, December 31, 2023, and December 31, 2022.

Formatted: Justified

Item 22

CONTRACTS

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

- B. Franchise Agreement (with Guaranty and Non-Compete Agreement)
- C. Multi-Unit Development Agreement
- D. Rider to Lease Agreement
- E. Form of General Release
- J. State Addenda to Agreements

Item 23 RECEIPTS

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

MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

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

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.
- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).
- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.
- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, which states "No action may be commenced pursuant to this Section more than three years after the cause of action accrues."
- NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.
- Payment of the initial franchise fee shall be deferred until the Franchisee has opened for business.

Formatted: Left, Indent: Left: 0.5", No bullets or numbering

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL,

RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

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

MINNESOTA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between X GOLF Franchise Corporation, a California corporation (“XGF”) and _____, a _____ (“Franchisee”).

- 1. Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Minnesota Act” means Minnesota Statutes, Sections 80C.01 to 80C.22.
- 2. Insufficient Funds.** The fee referred to in Section 4.8(d) of the Agreement for any payment returned for insufficient funds is reduced to \$30.
- 3. Amendments.** The Agreement is amended to comply with the following:

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

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

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

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

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

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

4. **Effective Date.** This Rider is effective as of the Effective Date.

5. **Deferral of Initial Franchise Fees.** Payment of initial franchise fees shall not be due until Franchisee has opened its business.

Formatted: Font: Bold

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

X GOLF FRANCHISE CORPORATION

By: _____

Name: _____

Title: _____

Date: _____

