

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 Georgia. 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 Georgia 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 if 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. **Mandatory Minimum Payments.** You must make mandatory minimum royalty payments regardless of your sales levels. Your inability to make these payments may result in termination of your franchise and loss of your investment.
4. **Supplier Control.** You must purchase all or nearly all of the inventory & supplies necessary to operate your business from Franchisor, its affiliates or from suppliers that Franchisor designates at prices that 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 franchised business.
5. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

Southwest Greens International, LLC, a Georgia limited liability company, is in the business of granting franchises to operate retail businesses that design, sell, install and maintain artificial turf surfaces for such uses as (by way of example and not limitation) putting greens, tee lines, golf practice facilities, golf driving ranges, lawn turf and other sports and non-sports surfaces and modular tile flooring for such uses as (by way of example and not limitation) tennis, basketball and volleyball courts, roller hockey arenas and gymnasiums under the Southwest Greens® service marks (a “Southwest Greens Business” or the “Franchised Business”).

To simplify the language in this Franchise Disclosure Document, Southwest Greens International, LLC is referred to as “SWGI,” “we,” “us” or “our” and “you,” “your” or “the Franchisee” means the individual, corporation, limited liability company, partnership or other entity that buys the franchise.

We have written this Disclosure Document in “plain English” in order to comply with legal requirements. Any differences between the language in this Disclosure Document describing the terms, conditions or obligations under the Franchise Agreement or any other agreement and the actual agreement is not intended to alter in any way your or our rights or obligations under the particular agreement.

As a franchisee, you will operate a Southwest Greens Business under the Trademarks (as defined below) within your Territory (as defined below). There are certain limitations on your ability to resell artificial turf. ~~See Item 16.~~

The market for the products and services offered by Southwest Greens Businesses is comprised of medium-to-high end homeowners, businesses, hotels, resorts, condominium projects, schools and colleges. The market is generally a developing market. Sales and installations are seasonal: they are significantly greater during the warmer months of the year. In addition, geographic areas that experience shorter colder seasons generally experience more business than geographic areas with longer colder seasons.

Your competitors will be other artificial turf and/or modular tile flooring installation companies and, to a lesser extent, landscaping companies. We believe that we are competitive in the marketplace because of our in-depth product knowledge, design and installation experience, our superior product quality and design and installation expertise, our experienced staff and our dedication to customer service.

You may be required to obtain a general contractors or other license in connection with the conduct of your Southwest Greens Business. In addition, you must comply with any laws or regulations applicable to the design, sale, installation and/or maintenance of artificial turf and/or modular tile flooring surfaces in your state or locality, as well as other applicable laws. We suggest that you consult your attorney with respect to whether your state or locality has any licensing requirements or other laws or regulations applicable to your Southwest Greens Business.

SWGI began offering franchises for Southwest Greens Businesses in March 2008. SWGI does not operate businesses similar to the Franchised Business. However, SWGI designs, sells, installs and maintains artificial turf and modular tile flooring in areas in which its franchisees are

Fee	Amount	Due Date	Remarks
Inspection of Business Premises / Installation	Costs <u>Our actual costs</u> and expenses of the inspection of Franchisee's business premises and/or product installation	Promptly after the inspection	Payable only if the inspection reveals a breach of the Franchise Agreement
Audit	Costs and expenses of the audit plus 18% per annum interest on the underpayment	Promptly after the audit	Payable only if the audit reveals an underpayment
Attorneys' Fees and Costs	Actual costs	As incurred	
SWGI's expenses in connection with examination and/or testing	Reasonable <u>Our actual costs and expenses</u>	As incurred	Payable if you request us to add a vendor, supplier or contractor to our list of approved or designated vendors, suppliers and contractors
SWGI's expenses in connection with correcting, replacing the materials and/or reinstalling any project that you do not correct, replace and/or reinstall	Actual costs	As incurred	Payable if you fail or refuse to correct, replace the materials and/or reinstall any project within the time period designated by SWGI (or if a customer refuses to permit you to do so)
Fee for SWGI's operation of your Southwest Greens Business	Actual costs	As incurred	Payable if you abandon or otherwise fail to operate your Southwest Greens Business properly, in SWGI's discretion

If you sustain a loss by reason of fire, flood or other casualty of a type typically covered by insurance, and that casualty is caused wholly or partially by SWGI's acts or omissions, you must look solely to the proceeds of your insurance policy for reimbursement of the loss, and neither you nor any insurance carrier may recover damages against SWGI by way of direct action, subrogation, assignment of claims or otherwise. A waiver of subrogation is required in connection with all casualty policies referenced above. All carriers must have an A.M. Best Rating of at least A-. You will waive all rights of recovery by you, any insurance carrier or other person, and must notify each insurance carrier of that waiver.

In addition, in connection with large commercial projects, your customer may require that you obtain a bond. The cost of the bond, estimated to be between \$500 and \$1,000 per project, would typically be built into the price for the project.

⁸ In addition, you may be required to pay us special marketing program payments in an amount that we will determine, in our reasonable discretion; however, special marketing program payments will not exceed \$3,000 per year during the term of this Agreement. Special marketing program payments will be used by us, in our discretion, for special marketing programs (for example, strategic relationships with golf companies for the development of marketing programs with a national or international scope).

⁹ Includes costs for legal fees, accounting fees, a computer, internet service provider, office furniture, office supplies, a copier and other miscellaneous equipment and supplies

¹⁰ Includes costs for utilities, gasoline and other miscellaneous operating expenses. ~~SWGI makes no representation or warranty regarding the period within which your business will break even and/or have positive cash flow, which may exceed three months. See Item 19.~~

¹¹ The estimated total does not include any compensation payable to you, inventory or real estate-related costs (rent, architectural fees, leasehold improvements, signage, utilities and deposits). In addition, the estimated total does not take into account your personal living expenses, any debt service needs, accounts receivable financing or other costs. All costs (other than Royalties, Modular Tile Flooring Royalties, Resale Line Turf Royalties and advertising payments) may be up to 50% higher in Alaska and Hawaii.

These figures are based upon SWGI's and its predecessor's franchisees' and licensees' experience in conducting Southwest Greens Businesses, as well as SWGI's predecessor's and its predecessor's affiliates' experience. ~~You should review these figures carefully with a business advisor before making any decision to purchase a franchise.~~

~~Your actual costs will depend upon such factors as your approach to your Southwest Greens Business; how much you follow SWGI's methods and procedures; your management skill, experience and business acumen; whether you personally manage your Southwest Greens Business; the climate in which your Territory is located; the demographics of your Territory; whether you operate from a business office; whether your business office includes a showroom; local economic conditions; the local market for SWGI's products and services; the prevailing wage rate in your Territory; competition and the sales levels reached during the initial period.~~

Greens Business is referred to as the “Business Premises.”) Within 30 days after we receive notice of your selection of your site, together with information regarding the site and the lease, we will review and approve, or deny approval of, the site and the lease. We may require the lease to contain certain provisions, including, without limitation, provisions requiring the landlord to provide us 30 days’ notice of any default or breach under the lease, permitting us to cure your breach or default and unconditionally and irrevocably permitting us to assume your obligations under the lease, without the landlord’s consent, in the event of your breach or default under the lease or the Franchise Agreement or upon the termination of the Franchise Agreement. We will not unreasonably withhold our approval of the site or the lease; however, we may refuse to approve the lease because it does not contain certain provisions that we require. Any relocation of the Franchised Business must be within your Territory, for a legitimate business reason and approved by us; however, we will not unreasonably withhold our approval.

The Business Premises must be constructed, equipped and decorated in compliance with our requirements. You must submit to us for our review and approval the plans for the construction, equipment and decoration of the Business Premises, engage licensed contractors and architects approved by us, obtain appropriate construction documents and comply with all applicable laws, regulations and ordinances of your Territory in connection with that construction. If we request, you must, at your expense, remodel and update the Business Premises to our standards, as they may exist from time-to-time. You must submit the plans for the construction (including prior adaptation), equipment and decoration of the Business Premises to us prior to beginning remodeling and/or updating.

You may request that we add a vendor, supplier or contractor to our list of approved vendors, suppliers and contractors, or that we approve different specifications, by notifying us. Specifications are formulated based upon, among other things, quality, weight, size, shape, delivery, performance, consistency, warranties, design, appearance, atmosphere, price and fitness for intended purpose. We may require you to submit samples or specifications for examination or testing, at your expense, to determine if the supplies or products meet our specifications. Vendors, suppliers and contractors are evaluated based upon, among other things, the products and services they offer, as well as the timeliness and quality of their service. We may approve or disapprove of those vendors, suppliers and contractors for any reason, including, without limitation, the vendors’, suppliers’ or contractors’ refusal to agree to remit to us an amount equivalent to the remittance that we are receiving from our other vendors, suppliers and contractors. We will advise you of our approval or denial of approval within 90 days after we receive all applicable information. We may revoke our approval upon notice to you.

We design, sell, install and maintain artificial turf and modular tile flooring in areas in which our franchisees are not located, for Corporate Accounts and, if you request, for your clients in your Territory. You will not be obligated to use our services, but may do so. In addition, although we presently do not do so, we may perform large-scale projects that franchisees typically cannot perform or are beyond the scope of their typical work.

At this time, there are no purchasing or distribution cooperatives. We do not provide any material benefits to you based upon your use of designated or approved sources.

We estimate that ~~substantially all~~99% of your expenditures for leases and purchases in establishing your Southwest Greens Business and on an ongoing basis during the operation of your Southwest Greens Business will be for goods and services which are subject to sourcing

restrictions (that is, which must meet our standards and specifications, or which must be purchased from suppliers which we designate or approve).

You must obtain and maintain, at your expense, commercial general liability insurance with combined single limit of no less than \$2,000,000 per occurrence, \$2,000,000 in the aggregate, for injury to persons or property, \$2,000,000 for products completed operations in the aggregate, \$1,000,000 combined single limit automobile liability insurance, \$1,000,000 combined single limit excess umbrella policy and workers' compensation insurance as required by your state law with employers liability limits of \$500,000, \$500 and \$500,000.

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Agreement*	Disclosure Document Item
a. Site selection and acquisition/lease	3	7, 8, 11, 12
b. Pre-opening purchases/leases	7	7, 8, 11
c. Site development and other pre-opening requirements	3, 7	5, 6, 7, 8, 11, 12, 15
d. Initial and ongoing training	4, 7(g), 18(g), 20(e), 21(p); Exhibit D to Franchise Agreement	6, 7, 11, 15, 17
e. Opening	7(f), 21(n)	1, 6, 7, 8, 11, 12, 15, 16
f. Fees	4, 7, 9, 10(c), 14(b), 15(b), 34, 39; Exhibit D to Franchise Agreement	5, 6, 7, 8, 11, 13, 14, 17
g. Compliance with standards and policies/operating Manual	3(c), 7, 10(e), 13, 21, 22(c), 29; Exhibit D to Franchise Agreement	1, 6, 8, 11, 14, 15, 16, 17
h. Trademarks and proprietary information	1, 2, 3, 6, 7, 8, 13, 21, 22; Exhibits A, B and D to Franchise Agreement	1, 8, 13, 14
i. Restrictions on products/services offered	3, 7, 8	1, 6, 8, 11, 12, 15, 16
j. Warranty and customer service requirements	7	8, 11
k. Territorial development and sales quotas	3, 7(b), 9(b), 20	6, 12
l. Ongoing product/service purchases	7	7, 8, 11
m. Maintenance, appearance and remodeling requirements	7	8, 11, 17
n. Insurance	7(m)	6, 7
o. Advertising	3, 7(a), 7(h), 8, 9	6, 7, 11, 12, 13, 14, 16
p. Indemnification	8(g), 12; Exhibits A and D to Franchise Agreement	6

Obligation	Section in Agreement*	Disclosure Document Item
q. Owner's participation/management/staffing	4(b), 7(b)(i), 7(g)	11, 15
r. Records and reports	10	Not Applicable
s. Inspections and audits	7(i), 10	6
t. Transfer	18, 19, 21(o), 28	6, 17
u. Renewal	20	17
v. Post-termination obligations	12, 13, 14, 15, 16, 17, 22, 23; Exhibits A, B and D to Franchise Agreement	17
w. Non-competition covenants	14, 15, 16, 17	17
x. Dispute resolution	32; Exhibits A and B to Franchise Agreement	17
y. Other		
z. Spousal Consent	11, 17, Spousal Consent; Exhibits A and B to Franchise Agreement	6, 15
aa. Principals' Guarantee	N/A	N/A

* Section reference is to Franchise Agreement, unless stated otherwise.

ITEM 10 FINANCING

~~Neither we nor any agent or affiliate offers direct or indirect financing to you, guarantees any note, lease or obligation of yours, or has any practice or intent to sell, assign or discount to a third party all or any part of any financing arrangement of yours.~~

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

We are listed on the SBA Franchise Directory located at: <https://www.sba.gov/document/support--sba-franchise-directory>. If you obtain financing through the SBA, you must sign the SBA Addendum to Franchise Agreement, attached as Exhibit F-1.

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

Assistance of SWGI

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

Before Your Southwest Greens Business Opens

1. Site and Lease Approval. Although you are not required to operate your Southwest Greens Business at a location that is open to the public for business, if you do so, it is your responsibility to locate and evaluate the site for your Southwest Greens Business within your Territory. The decision to establish and operate your Southwest Greens Business at that site

discontinued by us or the owner or holder of the Nicklaus Design intellectual property at any time.

We may, but are not required to, establish additional training programs, retraining programs (for example, if you have not performed particular installations within a specified period of time) or refresher courses that you and those people supervising your Southwest Greens Business must attend, at your expense. We may charge a fee in connection with those programs and courses. See Item 6. (Section 4(e) of the Franchise Agreement)

We may, but are not required to, establish periodic and other meetings and conference calls of franchisees that we may require you to attend. We may charge a fee in connection with those programs and courses. (Section 7(o) of the Franchise Agreement)

We have no obligations to assist you in establishing prices, such as setting minimum and/or maximum prices and presently we do not set minimum or maximum prices at which you must sell products.

Time Between Franchise Agreement Signing and the Opening of Your Southwest Greens Business

The typical length of time between signing the Franchise Agreement and the opening of a Southwest Greens Business is between one and five months. The factors that will affect the length of time for your Southwest Greens Business to open include, among other things, weather in your locality, whether you operate your Southwest Greens Business at a site that is open to the public for business (and if so, whether the site is built or needs to be completed, the difficulty of obtaining and negotiating a lease for the site, the amount and nature of leasehold improvements and compliance with local ordinances and building codes, among other things), delivery and installation of equipment and signage, obtaining required permits and licenses, scheduling and completion of the Training Program and your own time commitments.

Advertising

You are required to pay to us advertising payments, calculated as follows:

Population within Your Territory*	Annual Advertising Payment
Less than 2 million	\$1,000
2 million or more, but less than 4 million	\$1,500
4 million or more	\$2,000

* Based upon the United States Census 2015 published by the U.S. Census Bureau, or such other resource as SWGI may determine. If the population within your Territory increases, your advertising payments may be increased to the next level. Advertising payments will be used by us, in our discretion, for promotional, marketing, public relations and advertising expenses for Southwest Greens Businesses generally, the Southwest Greens brand name and the Southwest Greens system, including, among other things, hiring marketing, public relations and advertising agencies and personnel to assist in developing the Southwest Greens brand name, travel expenses in connection with promotions, marketing meetings, training, promoting the Southwest Greens brand name, developing and optimizing the website for the Southwest Greens system, development and registration of the Trademarks and developing and printing promotional and advertising materials, circulars and media advertisements. If you request, we

those materials are in a language other than English, prior to obtaining our approval, you must submit a certified English translation to us.) You may not engage in any advertising practice that may be injurious to your Southwest Greens Business, us or the goodwill associated with the Trademarks. All testimonials and endorsements used by you in your advertising must be accurate. You may not alter or modify those testimonials and endorsements. If you use any of our advertising and promotional materials, you must make sure that each item bears a copyright notice in the form specified by us. You may not maintain a website with respect to your Southwest Greens Business without our consent. If we consent to your maintaining a website, the website, and all revisions to the website, will be subject to our approval.

All advertising and promotional materials generated by or for you for your Southwest Greens Business will be deemed a work-made-for-hire, and all ownership rights, including any copyrights, in such advertising and promotional materials will be deemed to be assigned to us by you. See Item 14.

Although no local or regional cooperative advertising associations presently exist, if we establish a cooperative advertising association in your marketing area, you must participate in that cooperative advertising association. We will determine the geographic scope and membership of each cooperative advertising association. We may change, dissolve or merge any of the cooperative advertising associations. The owners of Southwest Greens Businesses within each marketing area, including us and/or our affiliates, will administer the cooperative advertising associations, which may assess a fee, in an amount to be determined by the members of each cooperative advertising association, for administration or advertising purposes. All Southwest Greens Businesses (including those owned by us and our affiliates) will contribute to the fund on the same basis as franchisees and will be entitled to one vote per unit that is then operational. Alternatively, if we so elect, we and/or our affiliates may participate in one or more of the cooperative advertising associations as a non-voting member. Cooperative advertising associations are not required to operate from written governing documents; if a franchisee's cooperative advertising association operates from written governing documents, a prospective franchisee can review those documents once that prospective franchisee becomes a franchisee. We will not require cooperative advertising associations to prepare periodic financial statements, but the cooperative advertising associations may elect to do so.

See Items 6, 8 and 9.

We do not presently have an advertising council comprised of franchisees that advises us on advertising policies.

Computer

You must obtain and maintain an e-mail address and internet access for purposes of communicating with SWGI and other persons and for other reasons that we may determine, and must review and respond to your e-mail on a timely basis. You must obtain and maintain access to our website in a manner that will enable you to download required information (without regard to size) and to otherwise interact with us and other persons, in the manner that we may specify from time-to-time.

You will need access to a computer, hand-held device or cell phone with an internet connection for those purposes. However, we don't require you to purchase or lease any of these devices, or specify the hardware or software programs that you use. The cost of purchasing a computer, hand held device or cell phone can range from \$50 to \$3,500, depending upon the

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1
Systemwide Outlet Summary
(For Calendar Years 2021 through 2023)**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	55	54	4 -1
	2022	56	53	3 -3
	2023	54	53	4 -1
Company-owned*	2021	0 7	0 6	0 -1
	2022	0 13	0 11	0 -2
	2023	0 11	0 10	0 -1
Total Outlets	2021	55 62	54 60	4 -2
	2022	56 69	53 64	3 -5
	2023	54 65	53 63	4 -2

~~* Although SWGI does not operate any businesses similar to the Franchised Business, SWGI designs, sells, installs and maintains artificial turf and modular tile flooring in areas in which its franchisees are not located, for Corporate Accounts and, if franchisees request, in their territories. In addition, although we do not presently do so, we may, in our discretion, perform large scale projects that franchisees typically cannot perform or are beyond the scope of their typical work.~~

~~** These figures represent the number of locations.~~

**Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
(For Calendar Years 2021 through 2023)**

State	Year	Number of Transfers
Colorado	2021	1
	2022	0
	2023	0
Texas	2021	1
	2022	0
	2023	0
Total	2021	2
	2022	0
	2023	0

**Table No. 3
Status of Franchised Outlets
(For Calendar Years 2021 through 2023)**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Alabama	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Arizona	2021	2	0	0	0	0	0	2
	2022	2	1	0	0	0	0	3
	2023	3	0	0	0	0	0	3
California	2021	8	0	0	0	0	0	8
	2022	8	0	0	0	0	0	8
	2023	8	0	0	0	0	0	8
Colorado	2021	1	1	0	0	0	0	2
	2022	2	0	1	0	0	0	1
	2023	1	0	0	0	0	0	1
Connecticut	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Florida	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Georgia	2021	2	0 ¹	0	0	0	0	2 ³
	2022	2 ³	0	0	0	0	0	2 ³
	2023	2 ³	0	0	0	0	0	2 ³
Hawaii	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Illinois	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Indiana	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
Ohio	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Oklahoma	2021	1	0	1	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Oregon	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Pennsylvania	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Rhode Island	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	1	0	0	0
South Carolina	2021	3	0	0	0	0	0	4
	2022	3	0	0	0	0	1	3
	2023	2	1	0	0	0	1	3
Tennessee	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Texas	2021	4	2	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	1	0	0	5
Utah	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Virginia	2021	0	40	0	0	0	0	40
	2022	40	0	0	0	0	0	40
	2023	40	0	0	0	0	0	40
Washington	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Total	2021	55	2	1	2	0	0	54
	2022	56	1	1	2	0	1	53
	2023	54	2	0	2	0	1	53

**Status of Company-Owned Outlets
(For Calendar Years 2021 through 2023)**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Colorado	2021	0	1	0	0	0	1
	2022	2	0	0	1	0	1
	2023	1	0	0	0	0	1
Georgia	2021	1	1	0	0	0	2
	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
South Carolina	2021	3	0	0	0	0	3
	2022	3	0	0	1	0	2
	2023	2	0	0	0	0	2
Texas	2021	4	2	0	0	0	6
	2022	6	0	0	0	0	6
	2023	6	0	0	1	0	5
Total	2021	7	4	0	0	0	6
	2022	13	0	0	2	0	11
	2023	11	0	0	1	0	10

Projected Openings as of December 31, 2023

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets	Projected New Company-owned Outlets
Alabama	0	1	1
Arizona	0	0	0
Illinois	0	0	0
Mississippi	0	0	0
Total	0	1	1

SWGI'S franchisees/licensees and their addresses and telephone numbers are listed in Exhibit D.

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
California	Pending August 30, 2024
Hawaii	Not Registered
Illinois	Not Registered
Indiana	Not Registered
Maryland	Pending
Michigan	Not Registered
Minnesota	Pending
New York	Pending October 16, 2024
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	Pending
Washington	Not Registered
Wisconsin	Not Registered

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.

Name/Address	Contacts	Telephone Number and email address
SWG - San Diego 6152 Mission Gorge Road, Suite A San Diego, CA 92120	Jason Richards Curtis McCoy	(M) 520-631-2329 (O) 520-822-8193 (F) 520-822-8195 (M) 580-402-3257 jason@swgtucson.com therealmccoy87@yahoo.com
SWG - Southern California 17812 Sierra Hw, Suite F Santa Clarita, CA 91390	Jay McMullen	(O) 661-298-0888 (F) 661-298-9451 mcmullen139@hotmail.com sales@socalswg.com.
Colorado		
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FRANCHISE AGREEMENT

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1 Territory, Franchise Fee and Minimum Royalty Amount

Exhibits

A Agreement to be Bound and to Guarantee
 B Agreement of Directors, Officers, Employees, Representatives, Consultants and Agents
 C Financing Statement
 D Nicklaus Design Additional Terms

1. **Grant of Franchise.** Subject to and in accordance with the terms of this Agreement, SWGI grants to Franchisee, and Franchisee accepts, a license for the right to conduct the Franchised Business within the Territory (as defined below), with the nonexclusive right to use, solely in connection with the Franchised Business, the Trademarks and the Proprietary Information. Franchisee must conduct the Franchised Business under the Trademarks. Notwithstanding anything contained in this Agreement to the contrary, the Nicklaus Design line of artificial turf surfaces, and products and services in connection therewith (collectively, the "Nicklaus Design Product Line") is not a part of the Franchised Business and Franchisee has no right to market, advertise, promote, sell, design, install and/or maintain any of those products, or provide services in connection therewith, unless Franchisee notifies Franchisor in writing that he desires to advertise, promote, sell, design, install and/or maintain the Nicklaus Design line of artificial turf surfaces, and products and services in connection with the Nicklaus Design line of artificial turf surfaces (collectively, the "Nicklaus Design Product Line") within the Territory, and SWGI agrees in writing that Franchisee may do so. In that event, the Nicklaus Design Additional Terms, attached to this Agreement as **Exhibit D**, will apply.

2. **Acknowledgement of Franchisee.**

~~(a) Franchisee acknowledges that, except as set forth in the Disclosure Document delivered to Franchisee (the "Disclosure Document"), neither SWGI, nor anyone acting on behalf of SWGI, has made any claims or representations whatsoever regarding potential sales, profits or earnings achievable by Franchisee in connection with the conduct of the Franchised Business. Franchisee acknowledges that he has been informed and he understands that the successful operation of the Franchised Business will depend primarily upon the efforts, capabilities and management skills of Franchisee and general economic conditions and trends, and that he cannot rely upon any information set forth in the Disclosure Document as representations or warranties of the results that will be achieved by Franchisee in connection with his operation of the Franchised Business.~~

(a) ~~(b)~~ In entering into this Agreement, Franchisee fully understands and agrees that this Agreement is conditioned upon the continued strict adherence by Franchisee to all standards, policies, procedures and requirements published, or which may from time to time be published or otherwise brought to Franchisee's attention by SWGI for the operation, maintenance or improvement of the Franchised Business, the Trademarks and the Proprietary Information. Franchisee understands and agrees that strict adherence to these standards, policies, procedures and requirements is essential to the value of the Franchised Business and the Trademarks.

(b) ~~(c)~~ Franchisee fully understands and agrees that nothing contained herein will give Franchisee any right, title or interest in or to any of the Trademarks, except only the privilege and license, during the term hereof, to display and use the same according to the limitations set forth in this Agreement. Any and all goodwill arising in connection with the Franchised Business and/or Franchisee's use of the Trademarks will automatically vest in SWGI.

3. **Territory.**

(a) (i) If Franchisee operates the Franchised Business at a location that is open to the public for business, the location selected by Franchisee to operate the Franchised

(c) Franchisee hereby waives the right to a jury trial, waives the right to initiate or participate in a class action in any forum, and waives the right to seek or collect punitive, consequential and special damages in any forum.

(d) Upon any breach by Franchisee of any of the terms of this Agreement, SWGI may institute and prosecute proceedings, at law or in equity, in any court of competent jurisdiction, to obtain precautionary or provisions measures (including an injunction) to enforce the provisions of this Agreement and to pursue any other remedy to which SWGI may be entitled. Franchisee agrees that the rights conveyed by this Agreement are of a unique and special nature and that SWGI's remedy at law for any breach would be inadequate and agrees and consents that temporary or permanent relief may be granted in any proceeding which may be brought to enforce any provision of this Agreement, without the necessity of posting bond therefor or proof of actual damages. Franchisee agrees that his sole remedy, in the event of the entry of an injunction, will be the dissolution of that injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby).

33. **Counterparts.** This Agreement may be executed in 2 or more counterparts, each of which will be considered one and the same agreement and will become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

34. **Attorneys' Fees.** In the event of any claim, controversy or dispute arising out of or relating to this Agreement, or the breach thereof, the prevailing party may recover reasonable attorneys' fees and costs incurred in connection with any court proceeding.

35. **Remedies Cumulative.** The remedies of the parties under this Agreement are cumulative and will not exclude any other remedies to which any party may be lawfully entitled.

~~36. **Construction.** The parties acknowledge that each party was represented (or had the opportunity to be represented) by legal counsel in connection with this Agreement and that each of them and its counsel have reviewed this Agreement, or have had an opportunity to do so, and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party will not be employed in the interpretation of this Agreement or any amendments or any exhibits hereto or thereto.~~

36. ~~37.~~ **Additional Actions.** Each party agrees to do all acts and things and to make, execute and deliver such written instruments as may from time to time be reasonably required to carry out the terms and provisions of this Agreement.

37. ~~38.~~ **Computation of Time.** Whenever the last day for the exercise of any privilege or discharge of any duty under this Agreement falls upon Saturday, Sunday or any legal holiday under Georgia law, the party having that privilege or duty will have until 5:00 p.m. (Atlanta, Georgia time) on the next succeeding regular business day to exercise that privilege or to discharge that duty.

38. ~~39.~~ **Currency.** Unless otherwise directed by SWGI in writing, all amounts contemplated by this Agreement will be paid in United States Dollars. Computation of any amounts to be paid that require conversion between currencies will be made at the selling rate for

the United States Dollar quoted by SWGI's primary bank on the date on which payment is made. Franchisee will pay all costs of currency exchange.

39. ~~40.~~ **Authority.** Any individual signing below on behalf of a corporation, partnership, limited liability company or other entity personally represents that he has full authority (that has not been revoked, limited or modified in any manner whatsoever) to bind the party or parties on whose behalf he or she is signing.

40. ~~41.~~ **Executive Order 13224.** Franchisee hereby represents and warrants to Franchisor that neither Franchisee, nor any of his Affiliates or their respective equity owners, directors, officers, employees, representatives and agents (collectively, the "Included People"), (a) is identified, by name or an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control (texts currently available at www.treas.gov/offices/enforcement/ofac/) or (b) has violated any law prohibiting corrupt business practices, money laundering or the aid or support of persons who conspire to commit acts of terror against any person or government, including acts prohibited by the U.S. Patriot Act (text currently available at www.epic.org/privacy/terrorism/hr3162.html), U.S. Executive Order 13224 (text currently available at www.treas.gov/offices/enforcement/ofac/sanctions/terrorism.html) or any similar law. Franchisee agrees that he will comply with, and will cause the Included People to comply with, all laws prohibiting corrupt business practices, money laundering or the aid or support of persons who conspire to commit acts of terror against any person or government. Franchisee further agrees that he will immediately notify Franchisor of the occurrence of any event, or the development of any circumstances, that might render any of the foregoing representations or warranties to be false, inaccurate or misleading.

[the balance of this page left blank intentionally]

**ADDENDUM TO SOUTHWEST GREENS INTERNATIONAL, LLC
DISCLOSURE DOCUMENT FOR THE STATE OF MARYLAND**

The following information applies to franchises and franchisees subject to Maryland statutes and regulations. Item numbers correspond to those in the main body of the disclosure document:

1. Item 5.

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

2. ~~1.~~ Item 17.

The Franchise Agreement provides for termination if you are insolvent under any applicable state or federal law. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Section 101 et seq.).

3. ~~2.~~ Item 17.

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. ~~3.~~ Item 17.

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

5. ~~4.~~ Item 17.

The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

6. 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.

ADDENDUM TO SOUTHWEST GREENS INTERNATIONAL, LLC
FRANCHISE AGREEMENT FOR THE OF MARYLAND

This Addendum relates to franchises sold in Maryland and is intended to comply with Maryland statutes and regulations. In consideration of the execution of the Franchise Agreement, Southwest Greens International, LLC and Franchisee agree to amend the Franchise Agreement as follows:

1. Release. Sections 18(g)(iv) and 20(d) of the Franchise Agreement are amended to provide that any release required as a condition of assignment or renewal will not apply to liability under the Maryland Franchise Registration and Disclosure Law (the “Maryland Franchise Law”).

2. Consent to Jurisdiction. Section 32 of the Franchise Agreement is amended to provide that, under the Maryland Franchise Law, any litigation involving claims arising under the Maryland Franchise Law that are not subject to arbitration may be brought in Federal District Court in Maryland.

3. Statute of Limitations. Any limitation on the period of the time mediation and/or litigation claims must be brought shall not act to reduce the 3 year statute of limitations afforded a franchisee for bringing claims arising under the Maryland Franchise Law.

4. Acknowledgments. Section 2 of the Franchise Agreement is amended by the addition of the following at the end of such Section: “The representations made herein are not intended to and will not act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

5. Construction. In all other respects, the Franchise Agreement will be construed and enforced in accordance with its terms.

6. 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.

[SIGNATURE PAGE TO FOLLOW]

“Company”

**SOUTHWEST GREENS
INTERNATIONAL, LLC,**
a Georgia limited liability company

By: _____
Name: _____
Its: _____
Date of signing: _____

“Franchisee”

_____,
 an individual
 a general partnership;
 a limited partnership;
 a limited liability company;
 a corporation;

By: _____
Name: _____
Its: _____
Date of signing: _____

**ADDENDUM TO SOUTHWEST GREENS INTERNATIONAL, LLC
DISCLOSURE DOCUMENT FOR THE STATE OF MINNESOTA**

1. Item 5, “Initial Fees,” shall be amended by the addition of the following:

Payment of all initial fees payable under the Franchise Agreement is deferred until franchisor has satisfied its pre-opening obligations to you under the Franchise Agreement and your Southwest Greens business opens to the public.

2. ~~1.~~ Item 13, “Trademarks,” shall be amended by the addition of the following:

We will indemnify you for all costs and expenses you incur in any action or proceeding brought against you by any third party as a result of your authorized use of our trademarks.

3. ~~2.~~ Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” shall be amended by the addition of the following paragraphs:

Minnesota Statutes, Section 80C.21 and Minnesota Rule 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 any of franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or 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, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, 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.

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.

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

5. The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

6. No statement, questionnaire, or acknowledgement 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 with the franchise.

**ADDENDUM TO SOUTHWEST GREENS INTERNATIONAL, LLC
FRANCHISE AGREEMENT FOR THE OF MINNESOTA**

THIS ADDENDUM is entered into as of _____, 20____ between Southwest Greens International, LLC a Georgia limited liability company (“Company”), and _____, a _____ (“Franchisee”), with reference to the following:

1. Company and Franchisee have entered into a Southwest Greens International, LLC Franchise Agreement dated as of _____, 20____, (the “Franchise Agreement”).

2. The parties wish to modify the Franchise Agreement, upon the terms and conditions set forth herein.

NOW, THEREFORE, the parties agree to amend the Franchise Agreement as follows:

1. Notwithstanding anything to the contrary set forth in the Franchise Agreement, and in particular Section 9(a) thereof, Franchisee shall pay the Franchise Fee to Company when Company has satisfied its pre-opening obligations to Franchisee under the Franchise Agreement and Franchisee’s Southwest Greens business opens to the public.

2. Minnesota Statutes, Section 80C.21 and Minnesota Rule 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 any of franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. 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.

3. With respect to franchises governed by Minnesota law, Company will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, 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.

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

5. Minnesota Rule 2860.4400J prohibits us from requiring you to waive your rights to a jury trial. The provision in Section 16(c) of the Franchise Agreement waiving your rights to a jury trial is hereby deleted and shall have no force or effect.

6. Notwithstanding anything to the contrary set forth in the Franchise Agreement, and in particularly Section 8 thereof, Company will indemnify Franchisee for all costs and

expenses it incurs in any action or proceeding brought against Franchisee by any third party as a result of Franchisee's authorized use of Company's trademarks.

7. The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

8. No statement, questionnaire, or acknowledgement 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 with the franchise.

Except as set forth herein, the Franchise Agreement shall be valid and enforceable between the parties in accordance with its terms.

"Company"

"Franchisee"

SOUTHWEST GREENS
INTERNATIONAL, LLC,
a Georgia limited liability company

_____?

an individual

a general partnership;

a limited partnership;

a limited liability company;

a corporation;

By: _____

By: _____

Name: _____

Name: _____

Its: _____

Its: _____

Date of signing: _____

Date of signing: _____

ADDENDUM TO SOUTHWEST GREENS INTERNATIONAL, LLC
DISCLOSURE DOCUMENT FOR THE STATE OF NEW YORK

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CAN NOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

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

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

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

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