

FRANCHISE DISCLOSURE DOCUMENT

GOLFCAVE FRANCHISING, LLC
A New Jersey Limited Liability Company
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GOLFCAVE



The franchisee will open and operate one or more GolfCave businesses that operate indoor golf facilities (each, a “Store”) providing golfers of all skill levels the ability to play or practice on a golf simulator in the privacy of their own “Cave,” and related programs, products and services. GolfCave is primarily a membership-based, recurring revenue model, with a simple concept and a goal to give golfers the best indoor golf experience.

The total investment necessary to begin operation of one GolfCave franchised Store is from ~~\$499,810~~[500,570](#) to ~~\$997,876~~[998,636](#), including ~~\$50,000~~[760](#) that must be paid to the franchisor or its affiliate. The total investment necessary to begin operation as a franchisee under an Area Development Agreement is from ~~\$551,810~~[552,570](#) to ~~\$1,382,876~~[383,636](#) (assuming, for the low end of the range, you agree to develop 3 Stores and, for the high end of the range, you agree to develop 10 Stores, although this is not a maximum), including \$100,000 to \$430,000 that must be paid to the franchisor or its affiliate (which is credited toward the initial franchise fees you will pay for each Store you develop).

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Russel Wechsler, GolfCave Franchising, LLC, P.O. Box 932, Clark, NJ 07066, 855-995-CAVE (2283), and franchise@golfcave.com.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or 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, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance date: ~~April 20, 2023~~ [April 12, 2024](#)

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit 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 GolfCave 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 GolfCave franchisee?	Item 20 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 and area development agreement require you to resolve disputes with the franchisor by litigation only in New Jersey. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with the franchisor in New Jersey than in your own state.
2. **Short Operating History**. The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
3. **Mandatory Minimum Payments**. You must make minimum advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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

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Exhibits:

- A Franchise Agreement and Related Materials
 - State Addenda to Franchise Agreement
 - Exhibits to Franchise Agreement:
 - Exhibit A - Store Location

- Exhibit B - Proprietary Marks
 - Exhibit C - Required Provisions for Lease Rider
 - Exhibit D - Confidentiality / Non-Competition Agreement
 - Exhibit E - ~~Sample Bylaws of Regional Advertising~~
 - ~~Cooperative~~ reserved
 - Exhibit F - Guarantee
 - Exhibit G - General Release – Successor Franchise
 - Exhibit H - General Release – Assignment
 - Exhibit I - List of Franchisee’s Owners
 - Exhibit J - Software License Agreement
- B Area Development Agreement and Related Materials**
- State Addenda to Area Development Agreement**
- Exhibit A - Development Territory
 - Exhibit B - First Unit Franchise Agreement You and We Will Sign
 - Exhibit C - Confidentiality / Non-Competition Agreement
 - Exhibit D - Guarantee
 - Exhibit E - List of Area Franchisee’s Owners
- C Financial Statements**
- D State Administrators**
- E Agents For Service of Process**
- F State Addenda to Disclosure Document**
- G State Effective Dates**
- H Receipt**

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

To simplify the language in this disclosure document, “we” or “us” means GolfCave Franchising, LLC, the franchisor. “You” means the individual, corporation or partnership who buys the franchise. If the franchisee will operate through a corporation, limited liability company, partnership or other business entity, “you” also includes the franchisee’s owners or partners. Our agents for service of process in the states whose franchise laws require us to name a state agency as agent for service are shown on Exhibit E.

We franchise businesses specializing in operating indoor golf facilities (each, a “Store”) providing golfers of all skill levels the ability to play or practice on a golf simulator in the privacy of their own private golf simulator room (“Cave”) and related programs, products and services. (the “GolfCave Businesses” or the “Businesses”). A GolfCave location will typically include four to seven Caves in one franchised Store. We have not conducted business in any other line of business. We do not operate businesses of the type being franchised under this Disclosure Document, but we have affiliates which currently operate a total of three Businesses in New Jersey of the type being franchised under this Disclosure Document, the oldest such Business being operated since February 2012. We are a family-owned business.

We are a New Jersey limited liability company organized in May, 2022. We conduct business under the names “GolfCave Franchising, LLC” and “GolfCave.” Our principal business address is 1 Clarkton Drive, Clark, New Jersey 07066.

Our parent company, GolfCave Franchising Holdings LLC (“GolfCave Franchising Holdings”), is a New Jersey limited liability organized in May, 2022 with the same principal business address as us and has done business since its organization.

We have no predecessors.

Our affiliate, GolfCave IP LLC, a New Jersey limited liability company, has licensed us to use the GolfCave System, trademarks, service marks and other intellectual property and to sublicense them to our franchisees in a cross-license agreement dated as of May 31, 2022.

Neither we nor our parent or our other affiliates have offered or sold franchises for this or any other type of business.

We franchise businesses that operate an indoor golf facility including a number of specially designed and equipped “Caves,” providing golfers of all skill levels the ability to play or practice on a golf simulator in the privacy of their own “Cave,” and related programs, products and services. Tee times, memberships, and gift cards are the main products offered. GolfCave businesses offer membership under which customers, for a membership fee, receive a certain number of hours of simulator time per month and may be entitled to receive additional hours at reduced rates for members, along with other member benefits. GolfCave Stores are also open to the general public, but non-members pay a higher rate and do not have certain benefits that members have.

This Disclosure Document offers two basic types of franchises for GolfCave Businesses and Stores:

(1) For those who wish to operate a single GolfCave Business and Store, we offer a unit franchise (see the Franchise Agreement in Exhibit A).

(2) For those who desire to operate three or more GolfCave Businesses and Stores within a defined Development Territory, we make available an Area Development program under which you must make a commitment to sign separate Franchise Agreements for, and open, at least three GolfCave Stores according to a Development Schedule (see the Area Development Agreement in Exhibit B).

The market for your services consists of members of the general public interested in being members or non-member customers of an indoor golf simulator facility. Historically, the demographic for

members tends to be disproportionately male between the ages of 35 to 65, with disposable income for such recreational or sports activities, and persons who typically play golf at least once per month. The demographic for non-member customers also tends to be males, between the ages of 25 – 35, with typically less free time than the member demographic, who are just starting a career, family, and/or may be paying off a large financial obligation (such as a house, school loans, car, etc.) and considers themselves a golfer. A relatively small portion of revenue tends to come from first-time golfers and/or “novelty” golfers. The business is sports and recreation based and appeals to those seeking a customized golf simulator environment with a private room catered to fit their needs (music, refrigerator, television, thermostat, bar counter top, etc.) and for golf enthusiasts who wish to play often without worrying about inclement weather or time of day, as well as golfers looking to improve their skills using state-of-the-art simulator technology. GolfCave’s brand stresses to customers: “It’s your Cave time, golf how you most enjoy it.”

While the golf market generally (both on-course and off-course) in which you will compete both locally and regionally is highly developed, the market for indoor golf facilities and golf simulators is still developing but growing quickly. Tee time activity is seasonal, with a higher demand in colder months, but the monthly membership sales model creates a degree of income smoothing throughout the year.

GolfCave has a differentiated market niche in providing golf simulators in private rooms called Caves with access during expanded hours (or, in some locations, all hours). However, you will compete with other golf simulator businesses, and with indoor and sports-related entertainment businesses generally, which can be a highly competitive industry in some areas.

GolfCave’s business model for refreshments is generally “BYOB” – that is, bring your own beverage (or food) and/or delivered – in terms of eating and drinking by customers at GolfCave Stores, with only beer and wine allowed as alcoholic beverages. However, that policy is subject to any restrictions imposed by local laws, rules or regulations in your area. You may also be permitted to sell and/or serve food or beverages at your Store, subject to prior approval by us and compliance with any local laws, rules or regulations. If you do so, then regulations applicable to the food and beverage industry will apply to you. If you would like, you may be permitted to sell or serve alcoholic beverages at your Store, subject to prior approval by us, your obtaining any required liquor license, and compliance with all regulations applicable to the liquor industry.

It is part of GolfCave’s brand image that GolfCave Stores are generally open and available during a broad range of times, including unstaffed hours to the extent reasonably practicable. However, it is your choice and responsibility whether to have your Store open during hours when it is unstaffed, and doing so is also subject to any applicable laws, rules or regulations in your area.

In addition, the laws, rules and regulations which apply to businesses in general will affect you. Consult your lawyer about them.

ITEM 2 BUSINESS EXPERIENCE

LLC Manager: Amy Wechsler

Amy Wechsler has served as our LLC Manager since our formation in May 2022. She has also served as the LLC Manager of our affiliates, GolfCave LLC (since February 2012), GolfCave II, LLC (since June 2016), GolfCave III, LLC (since July 2020), and GolfCave IV, LLC (since September 2021). She has also been the LLC Manager of GolfCave IP, LLC since its formation in May 2022 and LLC Manager of GolfCave Franchising Holdings LLC since its formation in May 2022. All positions have been based in Clark, New Jersey.

Vice President of Marketing and Administration: Lee Allen

Lee Allen has served as our Vice President of Marketing and Administration since our formation in May 2022. She has also served as General Manager of our affiliates, GolfCave LLC (since February 2012), GolfCave II, LLC (since June 2016), GolfCave III, LLC (since July 2020), and GolfCave IV, LLC (since September 2021). She has also been General Manager of GolfCave IP, LLC since its formation in May 2022 and Vice President of GolfCave Franchising Holdings LLC since its formation in May 2022. She also has been a Vice President of each of the above-named entities since June 2022. All positions have been based in Clark, New Jersey.

Vice President of Operations: Russel Wechsler

Russel Wechsler has served as our Vice President of Operations since our formation in May 2022. He has also served as General Manager of our affiliates, GolfCave LLC (since June 2015), GolfCave II, LLC (since June 2016), GolfCave III, LLC (since July 2020), and GolfCave IV, LLC (since September 2021). He has also been General Manager of GolfCave IP, LLC since its formation in May 2022 and General Manager of GolfCave Franchising Holdings LLC since its formation in May 2022 and Vice President of GolfCave Franchising Holdings LLC since its formation in May 2022. He also has been a Vice President of each of the above-named entities since June 2022. All positions have been based in Clark, New Jersey.

Investor / Advisor: David Wechsler

David Wechsler has served as an advisor to us since our inception in May 2022, and as an advisor to each of our affiliates: GolfCave LLC (since February 2012), GolfCave II, LLC (since June 2016), GolfCave III, LLC (since July 2020), and GolfCave IV, LLC (since September 2021). He has also been an assisting party to GolfCave IP, LLC since its formation in May 2022. All positions have been based in Clark, New Jersey.

Franchise Marketing Manager: Sherry Varian

Sherry Varian has served as our Franchise Marketing Manager since October 2023 in Clark, New Jersey. Prior to that she was Principal at 135 Design, LLC from January 2015 to January 2022 in Westfield, New Jersey. Between February 2022 and September 2023, she had a planned career break.

ITEM 3 LITIGATION

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

~~All franchisees~~ Franchisees pay an Initial Franchise Fee of \$50,000 with respect to a unit franchise agreement. We currently have a “founders program” in place for those who become our first few GolfCave franchisees, allowing them to pay a reduced Initial Franchise Fee of \$35,000, which is

what our new franchisees in 2023 paid. Once we end the “founders program” (which we may do at any time in our business judgment), new unit franchise agreements will pay our normal Initial Franchise Fee stated above. You must pay the Initial Franchise Fee in full on the date that we (Franchisor) ~~countersigns~~countersign the Franchise Agreement. We will not refund any of the Initial Franchise Fee.

When you sign an Area Development Agreement, you must commit to develop at least three GolfCave Stores (three franchised Businesses). You must pay us a non-refundable Area Development Fee of at least \$100,000 when you sign the Area Development Agreement, comprised of the following: (1) \$50,000 which will be credited toward your Initial Franchise Fee of \$50,000 for the first franchised Business when you sign the Franchise Agreement for that first franchised Business; and (2) \$25,000 times the number of additional franchised Businesses you commit to develop under the Development Schedule in your Area Development Agreement, which will be credited toward the Initial Franchise Fee that you pay for your second and subsequent units. Under the Area Development Agreement, the Initial Franchise Fee you pay for each of the second through fifth franchised Business is \$45,000, and the Initial Franchise Fee for the sixth and each additional franchised Business you commit to develop is \$40,000 up to the end of your agreed Development Schedule. For each Franchised Business you develop, you must sign our then-current Franchise Agreement, pay the balance of the Initial Franchise Fee and obtain our approval for your proposed GolfCave locations by the dates specified in the Area Development Agreement to obtain the reduced Initial Franchise Fee for each GolfCave Store.

We reserve the right to negotiate, change, waive or eliminate the initial fees stated above in unique or special situations where a prospective franchisee has previously done business with us, we have less need than usual to provide initial services to assist that prospective franchisee to open their Store for business, and/or we otherwise deem it appropriate in the circumstances.

We offer an incentive program for eligible veterans of the United States military forces (U.S. Army, Navy, Air Force, Marine Corps, Coast Guard, and Space Force) and first responders (firefighters, police officers, and emergency medical technicians) (the “Vet Fran/First Responder Incentive”) under which participants may pay a reduced Initial Franchise Fee of \$40,000 under their first Franchise Agreement for a GolfCave outlet. To qualify, veterans must provide us adequate documentation evidencing that they qualify for the Vet Fran/First Responder Incentive (and if applicable, had an honorable discharge) and the qualified individual must own at least 51% of the franchisee entity.

You will reimburse us for certain required third-party software that we obtain for you (currently, RingCentral and OpenPath) before the franchised outlet opens. Currently that cost totals approximately \$160 for the first couple of months of RingCentral software before you open your outlet, and approximately \$600 for the first year of OpenPath software, which you pay before you open the outlet.

You pay us or our affiliates no other fees or payments for services or goods before your Business opens.

ITEM 6 OTHER FEES

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Continuing Royalty	4 8.5% of Gross Revenues	Payable monthly on the 10 th day of the next month, or more frequently as we determine from time to time	“Gross Revenues” includes all revenues from the franchised Business. Fully defined in Franchise Agreement, Section 5.05. Royalty percentage will not change during term of Franchise Agreement. We may require payment of the Continuing Royalty on a more frequent basis than monthly, such as weekly or daily, as determined in our business judgment from time to time, upon written notice of such change to you.
System Brand & Technology Contribution	Currently: \$1,000 per month. We may change it up to the greater of \$1,600 per month or 3% of Gross Revenues.	Same as Continuing Royalty	Contribution percentage may change as determined by us from time to time during term of Franchise Agreement, up to the greater of \$1,600 per month or 3% of your prior month’s Gross Revenues (or a more frequent time period to match the timing of the other period fee(s) under the Franchise Agreement).
<u>Subscription to telephone service software</u>	<u>Varies as vendor sets their rates. Currently approximately \$80 per month.</u>	<u>Monthly</u>	<u>You will reimburse us for certain required third-party software/services that we obtain for you. One of them is RingCentral.) You reimburse us monthly on an ongoing basis.</u>
Advertising Cooperative (if formed) <u>Subscription to access control software</u>	Currently none. If and when cooperative formed: Minimum—1% of Gross Revenues. Maximum—2% of Gross Revenues. <u>Varies as vendor sets their rates. Currently approximately \$600 per year.</u>	Established by cooperative <u>Annually when we request</u>	We may, from time to time, form an advertising cooperative for your area and establish fees payable to the cooperative. See Item 11. A Company owned Business will have a vote if it joins. Percentage may change within 1%-2% range and may only be more than 2% if the Cooperative changes the maximum under its By-Laws. <u>You will reimburse us once per year for certain required third-party software/services that we obtain for you. One of them is access control software (currently OpenPath). Access control is the system that allows members of your GolfCave outlet to enter on their own (for instance, late at night). It is installed on your outlet’s front door.</u>

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Proprietary Products or Services	See Note 1.	When you place orders for products or services	If we develop them in the future, you must buy proprietary products or services from us, our affiliate or designee. Currently there are none. See Item 8
Merchandise Cost	As invoiced by us or 3 rd party vendor	Upon receiving invoice	We may provide certain merchandising materials to you such as menu panels, point of purchase advertising materials, System memorabilia and other brand-relevant merchandise. We or our third-party vendor will invoice you for reasonable costs for such materials, plus the cost of shipping and insurance. Upon reasonable request, we will furnish you with documentation of those costs.
Other Software Costs, Software Support Services	If we or our designee develop additional proprietary software, we may also require you to pay for such software and support services (currently none). See Note 2.	See Note 2.	See Note 2.
Testing fee for evaluating an alternative product or service provider you propose	\$1,000 to \$5,000, depending on the nature and complexity of the testing necessary for the product or service you propose.	When we request	We may test the product or service of any supplier you propose. Fee for testing pays for our expenses. See Item 8.

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Initial Training	Additional and subsequent trainee charge: \$500 per trainee per day. See remarks.	Fee for additional or subsequent trainees due before beginning of training	<p>We include, covered by your Initial Franchise Fee, the Initial Training Program for your Managing Owner (if you are a business entity, one of your owners must be designated as the “Managing Owner”) and your General Manager (who can, but need not be, the same person as your Managing Owner), and up to one additional person you may choose who is involved in operating your Business.</p> <p>All General Managers or Managing Owners you appoint later must also attend and complete the Initial Training Program to our satisfaction.</p> <p>In addition, if you have an Area Development Agreement, your Area Manager must complete this Initial Training Program, as well as any District Managers working under your Area Manager (at your expense).</p>
On-Site Training and Assistance	\$1,500 per day.	When we request	You can request on-site training and/or assistance at any time. The franchise agreement does not require us to provide it. If we do so, it is subject to our personnel’s availability and will be only on weekdays unless we expressly agree otherwise in our sole discretion and business judgment.

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
On-Going Training	<p>Certain quarterly update meetings done via internet may have a charge of up to \$500 per person we train on using new technology in your Business.</p> <p>Otherwise, expenses only.</p>	As incurred.	<p>We may provide a quarterly, mandatory update meeting, conducted virtually via internet. We may charge up to \$500 per person training in such programs if they include instruction on how to use new technology in your Business.</p> <p>We may from time to time develop additional training programs which you (if an individual) and your General Manager must attend and successfully complete, and we may hold an annual conference, convention or a required training session. Your Managing Owner (if you are a business entity) and your General Manager must attend. We will not charge for such programs, but you must pay all living and transportation expenses of your trainees.</p> <p>We also provide you access to our virtual and confidential training library, for no fee.</p>
Insurance	Estimated annual premium is \$12,000 to \$21,000.	As insurance carrier requires	See Note 3. Insurance company sets the premiums and you pay the insurance company, except that if you fail to pay premiums for required insurance, we may pay premiums and charge you for them. Premiums may vary depending upon factors such as the insurance company selected and your claims experience.
Relocation	Actual costs	When we request	If you wish to relocate your Store. You must reimburse us for any reasonable costs we incur in considering your request. See Item 12.
Taxes	As assessed on goods and services we provide to you.	Promptly when due	You must pay us all taxes we pay except for our corporate income taxes due to goods or services we furnish to you, the Initial Franchise Fee, Continuing Royalties, Area Development Fee (if you have an Area Development Agreement) or other fees you pay us.
Advances		When we request	You must pay us all amounts we advance to third parties for you.

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Late Charge	<p>Maximum law allows, or if no legal maximum, then 4% above prime rate.</p> <p>Also, \$50 per month that any financial statement due to us or copy of tax return is not provided to us.</p>	When we request	You must pay late charge on any past due amounts to us. We will not increase charge beyond formula in column 2 during term of Franchise Agreement.
Audit Expenses	<p>The amount of the audit expenses is unknown and may vary depending upon factors such as the auditor selected.</p> <p>See Note 4.</p>		
Successor Franchise Fee	25% of our then-current Initial Franchise Fee for similar franchised Stores.	Before we sign successor franchise agreement.	See Item 17(b) and (c).
Transfer Fee	25% of our then-current Initial Franchise Fee we charge with respect to similarly situated franchised Stores, or such greater amount as may be necessary to reimburse us for our legal, accounting and other expenses incurred in connection with your transfer.	Before we approve the transfer.	See Item 17(k) to (n).
Transfer related costs	Varies	When incurred	See Section 14.04 of Franchise Agreement. May include reimbursing franchisor's costs of investigation of assignee's suitability to take over the franchised business. May include obtaining consent from landlord or sublessor of your Location, if required.

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Securities offering review fee	\$10,000 or such greater amount as necessary to reimburse us for our reasonable costs and expenses in reviewing your proposed securities offering	When incurred	See Section 14.08 of Franchise Agreement.
Management Fee on Death or Disability	Greater of (a) two times the salary paid to individual(s) we assign to operate Business, or (b) 10% of Business's weekly Gross Revenue.	See Remarks	From your death or disability or the death or disability of your last surviving owner (if you are a business entity), until a General Manager and a Managing Owner assume control and are properly designated, we may operate the Business, but will have no obligation to do so. If we do, then we will deduct our expenses from Business's Gross Revenues and pay ourselves the management fee shown in column 2. Management fee will be in addition to Continuing Royalties and other fees due us. We will remit any remaining funds to your Estate. Estate must pay us any deficiency in sums due us under Franchise Agreement within ten (10) days of our notifying Estate of deficiency. See Item 17.
Indemnification of Us			You indemnify us from certain losses and expenses – see Section 8.10 of the Franchise Agreement.
Attorneys' and Experts' Fees, Court Costs	The amount of these fees and costs are unknown and may vary depending upon factors such as the attorneys and experts selected and the court costs.		See Note 5. If we incur attorneys' fees, costs, and expenses as a result of your failure to perform obligations, you must reimburse us whether or not legal proceedings are initiated.

Notes

All fees on the table above are nonrefundable and the fee or its formula is uniformly imposed.

- [1] If we develop them in the future, you must buy proprietary products from us, our affiliate or designee. We (or our affiliates or designees) will sell you proprietary products, equipment or services under terms we develop and advise you of periodically. We may earn a reasonable profit on the sale of proprietary products to you.
- [2] You agree to use proprietary software and software support services that either we in the future develop and provide (currently we have none) or which are provided by a third-party

supplier we designate, and you will execute any standard form software license agreement reasonably necessary to do so. We may require you to buy new or upgraded programs and materials from us if we adopt them system-wide, at the prices we set. We do not know the cost of any future updates or revisions at this time, as we do not yet have proprietary software. You will pay for new or updated programs and materials when you order them.

[3] You must maintain the following insurance:

1. Broad form comprehensive general liability coverage of at least \$1,000,000 aggregate and at least \$5,000,000 per occurrence, such insurance to embrace (without limitation) claims for personal injury, bodily injury, and property damage. This insurance may not have a deductible or self-insured retention of more than \$5,000;
2. Adequate Fire and Extended Coverage Insurance on your Store and property to replace after an insured loss;
3. Business Interruption Insurance to cover the rental of the Store, maintenance of competent personnel and other fixed expenses for a minimum of 120 days;
4. If any vehicle is operated in connection with the Business, automobile liability insurance (including coverage for all owned, non-owned, leased or hired vehicles) with minimum limits of liability in the greater of (a) the greatest amount required by any applicable federal, state or local law, or (b) \$1,000,000 for each person killed or injured and, subject to that limit for each person, a total minimum of \$2,000,000, along with a minimum limit of \$3,000,000 for injury, destruction or loss of use of property of third persons as a result of any one accident;
5. Workers' compensation, employer's liability and any other employee insurance required by any applicable federal, state or local law, rule or regulation (but in no event less than \$1,000,000 for employer's liability insurance);
6. In connection with the construction, refurbishment, renovation, remodeling or upgrading of your franchised Store, builders' and/or contractor's insurance (as applicable) and performance and completion bonds in forms and amounts acceptable to us; and
7. Insurance coverage of such types, nature and scope sufficient to satisfy your indemnification obligations under the Franchise Agreement.

If you do not purchase the required insurance, we may obtain the insurance for you. We have no duty do so. If we obtain insurance for you, you must pay the premiums to the insurance company or reimburse us for them. We can change the required coverages and amounts.

[Currently we also recommend, but do not require, that you obtain employment practices liability insurance coverage in the amount of at least \\$250,000.](#)

[4] — If we audit your Business, and you understated the Gross Revenues on the monthly statements you submitted to us for any month or for the entire period, when compared with your actual Gross Revenues, then you must immediately pay us the cost of the audit and the additional amounts owing, plus interest at the highest legal rate or, if there is no maximum legal rate, then 4% percent above the prime rate. Otherwise we must pay the cost of the audit.

~~5~~4 If you understated your Gross Revenues by 8% or more for any month or for the entire period, we can terminate the Franchise Agreement and you must pay the amount due, plus interest and the cost of the audit. If you understated your Gross Revenues by less than 2% percent for any month or for the entire period, you must immediately pay us the amount due, plus interest, but we will pay the cost of the audit.

The percentages described in this footnote are fixed and will not change during the term of the Franchise Agreement.

~~6~~5 You or we can recover from the other party reasonable attorneys' fees, experts' fees, court costs and all other expenses of litigation in any action instituted against the other party to secure or protect your or our rights under the Franchise Agreement, to enforce the terms of the Franchise Agreement, or in any action begun or joined in by the other party against the prevailing party.

If we become a party to any proceeding brought against us by a third party relating to the Franchise Agreement, your franchised Business or your GolfCave Store as a result of any act or omission of yours or the franchised Business, or if we become a party to any litigation or insolvency proceeding involving you under any bankruptcy or insolvency code, then you must pay us our reasonable attorneys' fees, experts' fees, court costs, travel and lodging costs and all other expenses we incur.

If we terminate the Franchise Agreement for your default, or if you terminate the Franchise Agreement through non-payment (see Item 17, section d.), you must pay us all our expenses from your default or termination, including reasonable attorneys' and experts' fees.

ITEM 7 ESTIMATED INITIAL INVESTMENT*

YOUR ESTIMATED INITIAL INVESTMENT

(DEVELOPMENT OF ONE GOLFCAVE STORE)

(1) Type of expenditure	(2) Amount	(3) Method of payment	(4) When due	(5) To whom payment is to be made
Initial Franchise Fee	\$50,000 See Note 1	Lump Sum, by check	At signing of Franchise Agreement	Us
Training expenses (transportation / lodging)	\$2,000 - \$5,000 See Note 2	As airlines, hotels, Stores, etc. require	As airlines, hotels, Stores, etc. require	Airlines, hotels, Stores, etc.
Real property, if leased	\$12,750 - \$48,000 See Note 3	As landlord requires	As landlord requires	Landlord
Construction / remodeling / leasehold improvements	\$207,967 - \$448,313 See Note 4	As suppliers require	As landlord and/or suppliers require	Suppliers

* None of the expenses on this chart are refundable unless a supplier has a refund policy of which we are not aware.

(1) Type of expenditure	(2) Amount	(3) Method of payment	(4) When due	(5) To whom payment is to be made
Office equipment and supplies, décor, fixtures and furnishings	\$42,693 - \$74,713	As suppliers require	As suppliers require	Suppliers
CPUs, monitors, televisions, projectors, and miscellaneous electronics	\$32,000 - \$56,000	As suppliers require	At time of purchase	Supplier
Golf simulators (and includes first year of simulator software)	\$80,000 - \$140,000 (estimate for 4 – 7 Caves; one per Cave)	As supplier requires	At time of purchase	Supplier
Initial monthly subscription for at least the first two months of third-party software for telephone service, which you reimburse us to obtain for you (currently, RingCentral)	\$160 for 2 months (\$80 per month)	As we require	Monthly, as incurred before opening, for at least two months before opening	Us
Initial annual subscription to third-party software for access control, which you reimburse us to obtain for you (currently, OpenPath) before the franchised unit opens	\$600	As we require	As incurred before opening	Us
Point of sale system (cash register, receipt printer, etc.)	\$1,000 See Note 5	As suppliers require	At time of purchase	Supplier
Opening advertising	\$5,000 - \$20,000	As supplier requires	As supplier requires	Supplier
Inventory to begin operating (branded merchandise and gift cards for sale to customers)	\$3,500 See Note 6	As suppliers require	As suppliers require	Suppliers
Security deposits	\$8,500 - \$32,000 See Note 7	As landlord requires	As landlord requires in lease	Landlord

(1) Type of expenditure	(2) Amount	(3) Method of payment	(4) When due	(5) To whom payment is to be made
Organizational expenses	\$500 - \$2,500 See Note 8	As you agree with accountant/ attorney	As you agree with accountant/ attorney	Accountant/ Attorney
Permits and licenses	\$5,000 - \$10,000	As agency requires	As agency requires	Agency
Professional fees	\$5,000 - \$15,000	As suppliers require	As you agree with accountant, attorney, and any other professional advisors	Accountant, attorney, and any other professional advisor
Uniforms	\$900 - \$1,600 See Note 9	As supplier requires	As supplier requires	Supplier
Signs	\$5,000 - \$20,000 See Note 10	As supplier requires	As supplier requires	Supplier
Insurance – 3 months	\$3,000 - \$5,250 See Note 11	As agent requires	Before opening	Insurance Agent
Additional funds (initial period – 3 months)	\$35,000 - \$65,000 See Note 12	As expenses occur	Payroll weekly, other purchases according to agreed-on terms	Employees, suppliers of goods and services
TOTAL	\$499,810,500,570 to \$997,876,998,636 (Note 13)			

Notes

- [1] The Initial Franchise Fee is not refundable. None of the other fees shown on this table are refundable unless a supplier has a refund policy of which we are not aware. We do not finance any fee.
- [2] We include the Initial Training Program for three people in the Initial Franchise Fee. The charge for additional (and subsequent) attendees is \$500 per trainee per day. You pay all your trainees' living and transportation expenses. Travel expenses depend on whether we do the training in person or via remote conferencing (we typically do it in person), where your home base is located, whether you and your trainees can commute by car to our training base, and the number of people receiving the Initial Training Program. Lodging and food expenses depend on number of people being trained. You pay all these expenses. See Item 11.
- [3] This estimate is for 3 months of rent. If you do not have acceptable space for your Store, you will have to lease sufficient space in a suitable commercial building for a Store Location. A

GolfCave location typically includes 4 – 7 Caves in one Store. We recommend having at least 850 square feet per Cave and at most 1,000 square feet per Cave, with a Cave itself being approximately 600 square feet. GolfCave Store Locations are usually in a flexible commercial or warehouse space, or a strip shopping center or mall, and may be in downtown, suburban, rural areas or on a highway. Since real estate values vary dramatically from region to region, we cannot very accurately estimate your cost to purchase or rent real property in any specific location; these figures are based on rental costs in the areas of New Jersey where we or our affiliates have corporate-owned Stores. To estimate the rental expense for your Store Location, apply the above square footage requirements to the local real estate rental costs in the area in your location where there are suitable buildings.

- [4] You may already have an appropriate Store, or your cost of construction or leasehold improvement for your Store may be minimal. The cost of construction or leasehold improvements will vary depending on your construction and renovation costs and how many of those costs the landlord will pay (if any). We base the figures in this Item 7 on building out 4 – 7 Caves in one Store. We will provide you with a sample layout for the interior of at least one GolfCave Store of the type that we determine is most similar to the type of site where you will be operating and our Brand Standards may from time to time include specifications for furniture, fixtures, equipment and/or décor for your type of Store. You must employ architects, designers, engineers or others as necessary (which is included in the disclosed estimates) to complete, adapt, modify or substitute the layout, plans and specifications for the Store, including any changes required by the landlord. Typically, you and the contractor you employ will negotiate a payment schedule. Generally, the landlord provides the space with demolition complete, exterior walls drywalled; an acoustical drop ceiling; working HVAC; and plumbing and electrical service to the space, or an equivalent amount of free rent to offset these costs. The contractor will install the leasehold improvements. Except for modifications that we require, you may not modify any specifications we provide for design, plans, fixtures, equipment, signage or décor of your Store at any time without our advance written permission.
- [5] You must purchase the required point-of-sale computer hardware, software, wired and/or wireless internet connections and service, required dedicated telephone and power lines, “smart phone” automated customer purchase tracking facilities and other computer-related accessories, peripherals and equipment that we specify in our Brand Standards or otherwise. You must obtain high-speed communications access for your point of sale systems, such as broadband or other high-speed capacity. You must also maintain a functioning e-mail address for your Business and such wi-fi service for your customers as we may designate in the Brand Standards. See Item 11.
- [6] The initial inventory to open your business includes branded products and materials such as brochures, business cards, gift cards, t-shirts, pens, hats, bags and balls which you purchase from our designated or approved vendors in certain minimum amounts stated in our Brand Standards and must make available for sale to members and other customers at your Store. This amount is based on approximately 12 months’ worth of initial inventory for such purpose.
- [7] Your landlord and utilities will set charges for security deposits and utility deposits. States and localities will set costs for permits and licenses.
- [8] Actual cost also depends on the filing, application and related fees charged by state agencies or other agencies.
- [9] You must provide uniforms for your employees. You may buy uniforms from any source approved by us which meets our specifications. Uniform costs are approximately \$150 - \$200 per employee. The estimate stated in the table represents \$150 - \$200 per staff person at a Store, per year, and 6 to 8 such individual staff members per year; your number of staff may differ.

- [10] Depending on location, type and size of sign. Your signs must conform to specifications. We base the figures in this Item 7 on building out 4 – 7 Caves in one Store.
- [11] First three (3) months, based on estimated annual premium for required insurance coverage – see Item 6. The required insurance coverage (which we may modify from time to time) includes: broad form comprehensive general liability coverage of at least \$1,000,000 aggregate and at least \$500,000 per occurrence, such insurance to embrace (without limitation) claims for personal injury, bodily injury, and property damage, and may not have a deductible or self-insured retention of over \$5,000; fire and extended coverage insurance on your Store and property in an amount adequate to replace them in case of an insured loss; business interruption insurance in sufficient amounts to cover your Store’s rental expenses, maintenance of competent personnel and other fixed expenses for a minimum of 120 days; if any vehicle is operated in connection with the Business, automobile liability insurance (including coverage for all owned, non-owned, leased or hired vehicles) with minimum limits of liability in the greater of (a) the greatest amount required by any applicable federal, state or local law, or (b) \$1,000,000 for each person killed or injured and, subject to that limit for each person, a total minimum of \$2,000,000, along with a minimum limit of \$3,000,000 for injury, destruction or loss of use of property of third persons as a result of any one accident; workers’ compensation, employer’s liability and any other employee insurance required by any applicable federal, state or local law, rule or regulation (but in no event less than \$1,000,000 for employer’s liability insurance);—in connection with the construction, refurbishment, renovation, remodeling or upgrading of your franchised Store, builders’ and/or contractor’s insurance (as applicable) and performance and completion bonds in forms and amounts acceptable to us; and, insurance coverage of such types, nature and scope sufficient to satisfy your indemnification obligations under the Franchise Agreement. [Currently, we also recommend, but do not require, that you obtain employment practices liability insurance coverage in the amount of at least \\$250,000.](#)
- [12] The estimate of additional funds (working capital) for the initial phase of your Business is based on your staff salaries and operating expenses for the first three months of operation, based on the last three years of actual expenses incurred in existing GolfCave Stores owned by our affiliates. The estimate of additional funds does not include an owner’s salary or draw. The estimate of funds does include three months of payroll for rangers at 12 hours per day at ~~\$15 per hour~~ [the minimum wage required by state law in New Jersey](#); utilities; dues and subscriptions for software services (including \$600 as the current approximate cost for 3 months of a scheduling software license; the cost is as determined by our designated vendor); credit card fees; miscellaneous office expenses; repair / maintenance costs; and, three months of your System Brand & Technology Contribution at \$1,000 per month. The additional funds required will vary by factors such as your area; how much you follow our methods and procedures; your management skill, experience and business acumen; the relative effectiveness of your staff; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; and the sales level reached during the initial period.
- [13] We and our affiliates do not finance your initial investment. In compiling these estimates, we rely on our experience in operating and franchising businesses. We base the figures in this Item 7 on building out 4 – 7 Caves in one Store. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

**YOUR ESTIMATED INITIAL INVESTMENT
(DEVELOPMENT OF THREE TO TEN GOLFCAVE BUSINESSES UNDER AREA
DEVELOPMENT AGREEMENT)**

(1) Type of expenditure	(2) Amount	(3) Method of payment	(4) When due	(5) To whom payment is to be made
Area Development Fee	\$100,000 - \$250,000 See Note 1	Lump Sum	At signing of Area Development Agreement	Us
Professional Fees – Legal, Accounting, Etc.	\$2,000 - \$5,000 See Note 2	As third party professional(s) specify in your agreement with them	As third party professional(s) specify in your agreement with them	Attorney / accountant / other professional business advisors
Additional total investment necessary to begin operation of one GolfCave Business (from the first Item 7 table above), minus the Initial Franchise Fee of \$50,000 which is credited in the Area Development Fee (immediately above)	\$449,810- \$947,876 <u>\$450,57</u> <u>0 - \$948,636</u>	As specified by the various payees	As incurred	Various parties as applicable (suppliers, your advisors, other third parties, etc.)
TOTAL	\$551,810<u>552,570</u> to \$1,382,876<u>383,636</u> (Note 3)			

- [1] The low end of the Area Development Fee is for the development of 3 GolfCave Businesses and the high end is for the development of 10 GolfCave Businesses (but this is not a maximum). As discussed in Item 5, the Initial Franchise Fee paid by you and other similarly situated Franchisees will be the same. Our Initial Franchise Fee for a single unit Franchisee is \$50,000. If you enter into an Area Development Agreement your subsequent Initial Franchise Fee will be as discussed in Item 5 and below.

If you are entering into an Area Development with us, you will pay an Area Development Fee which will include a non-refundable fee of \$50,000 for the first franchised Business and \$25,000 per additional franchised Business, as discussed in Item 5, for granting you the right and the obligation to open the number of franchised Businesses we will agree upon before you sign the Area Development Agreement, and the time you will be granted to open each location. The Area Development Fee is not refundable under any circumstances.

As discussed in Item 5, if you agree to an Area Development Agreement, your Initial Franchise Fee for your second through fifth franchised Business is \$45,000. For your sixth

and each subsequent franchised Business that is on your agreed Development Schedule your Initial Franchise Fee will be \$40,000.

- [2] The estimate of professional fees in this chart is in addition to the professional fees that we estimate you will pay in connection with developing each Store.
- [3] For each franchised GolfCave Business you will operate under the Area Development Agreement, you must make the additional initial investment described above in the first table in this Item 7. The amounts in the first table above in this Item 7 may change, depending upon when you begin operation of each of your GolfCave Businesses, since costs of the items on the charts are likely to rise with the passage of time.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

If we develop them in the future, you must purchase proprietary products or services from us. Currently we have none.

We reserve the right to be the only approved suppliers for any proprietary products or services we may develop, such as proprietary software for scheduling or otherwise which we may develop (currently we have none). Currently there are no items for which we or our affiliates are approved suppliers or the only approved suppliers. No officer of ours owns any interest in an approved supplier.

We and/or our affiliates may derive revenue - - in the form of promotional allowances, volume discounts, commissions, other discounts, performance payments, signing bonuses, rebates, marketing and advertising allowances, free products, and other economic benefits and payments - - from suppliers that we designate, approve, or recommend for some or all GolfCave Stores on account of those suppliers' prospective or actual dealings with your Store and other GolfCave Stores. That revenue may or may not be related to services we or our affiliates perform. All amounts received from suppliers, whether or not based on your or other franchisees' purchases from those suppliers, will be our and our affiliates' exclusive property, which we and our affiliates may retain and use without restriction for any purposes we and our affiliates deem appropriate. Any products or services that we or our affiliates sell you directly may be sold to you at prices exceeding our and their costs.

~~Since we have not previously sold franchises, we~~ We currently receive no revenues from sales of proprietary products to franchisees by us or a designee or from required purchases or leases by franchisees, nor did we in ~~2022, our last fiscal year (2023)~~, but we may receive revenues from this source in the future.

You must use certain computer software programs provided by our designated vendor (currently, USchedule) for scheduling purposes. See Item 6. The price is determined by the vendor. The current cost is approximately \$600 per 3 months. You must contract with our designated vendor for such software, and pay for any future updates or revisions as required by the vendor.

~~We~~ You will reimburse us for certain required third-party software that we obtain for you (currently, RingCentral for telephone service at approximately \$80 per month, and OpenPath for access control at approximately \$600 per year) before the franchised outlet opens and on an ongoing basis as you operate the outlet. We incur the cost and pass on (forward) that amount to you (to reimburse us) at our actual cost.

~~Other than the above, we~~ have received no revenues from sales of software updates or revisions or support services to franchisees, but we may receive revenues from this source in the future.

You must buy golf simulator software and equipment from the vendors we designate. See Item 7. That includes not only the simulators hardware and software, but also the "app" and website of the designated supplier. The price is determined by the vendor. The current cost is approximately \$1,000 per year per simulator. You must contract with our designated vendor for such software, and pay for any future updates or revisions as required by the vendor. You typically purchase directly from the third-party vendor. However, we are also authorized to buy from our current vendor and resell to

franchisees such equipment, and we reserve the right to be an approved or the only approved supplier of such equipment.

You must purchase from suppliers designated or approved by us (as updated in our Operations Manual from time to time): cleaning supplies, office supplies, miscellaneous in-store supplies and branded merchandise (such as golf balls hats, bags and pens), electronics, certain printed materials, brochures, business cards, employee apparel, member T-shirts, projectors, screens, turf, netting, fabric/materials, credit card processing, gift cards, a cloud-based time tracking and scheduling solution, email services, storage services for online documents, sheets, and forms, social media platform services, an online access control system provider that allows CaveCard holders in and out of your GolfCave Store, a cloud based phone system used at all Stores for tech support and employee support, staff uniforms, furniture and fixtures, signage, a security system for your Store, a POS system, a cash drawer and receipt printer for your Store, and an accounting software system.

You must purchase the required insurance from insurance providers that meet our criteria stated in the Brand Standards and the current requirements for which are specified in Item 6, as follows: broad form comprehensive general liability coverage of at least \$1,000,000 aggregate and at least \$5,000,000 per occurrence, such insurance to embrace (without limitation) claims for personal injury, bodily injury, and property damage. This insurance may not have a deductible or self insured retention of more than \$5,000; adequate Fire and Extended Coverage Insurance on your Store and property to replace after an insured loss; Business Interruption insurance to cover the rental of the Store, maintenance of competent personnel and other fixed expenses for a minimum of 120 days; if any vehicle is operated in connection with the Business, automobile liability insurance (including coverage for all owned, non-owned, leased or hired vehicles) with minimum limits of liability in the greater of (a) the greatest amount required by any applicable federal, state or local law, or (b) \$1,000,000 for each person killed or injured and, subject to that limit for each person, a total minimum of \$2,000,000, along with a minimum limit of \$3,000,000 for injury, destruction or loss of use of property of third persons as a result of any one accident; Workers' Compensation, employer's liability and any other employee insurance required by any applicable federal, state or local law, rule or regulation (but in no event less than \$1,000,000 for employer's liability insurance); in connection with the construction, refurbishment, renovation, remodeling or upgrading of your franchised Store, builders' and/or contractor's insurance (as applicable) and performance and completion bonds in forms and amounts acceptable to us; and, insurance coverage of such types, nature and scope sufficient to satisfy your indemnification obligations under the Franchise Agreement.

You must participate in, and comply with the requirements of, any gift card, gift certificate, customer loyalty or retention program that we (or our affiliates) implement, at your expense, for all or part of our franchise system and shall sign the forms and take the other action that we require in order for you to participate in such programs. Without limitation, you must honor coupons, gift cards, gift certificates, or vouchers sold or distributed by other Stores and must utilize a vendor approved by us for gift card processing. You may not offer any coupon without our prior written approval.

You shall require all of your advertising, promotional materials, signs, decorations, paper goods (including all forms and stationery used in or by your franchised Business), and all other items we may designate, to feature and bear the Proprietary Marks in the form, color, location and manner we prescribe.

You must keep your HVAC (heating, ventilation, and air-conditioning) system in good maintenance and repair. We require that you have a vendor that meets our specifications and standards do bi-annual repair and maintenance on your Store's HVAC system, the cost of which is currently approximately \$1,500 to \$3,000 per year. The estimated cost per year is stated here but is subject to change as the market for such services by qualified vendors may change.

Otherwise, there are currently no items which you must buy from suppliers named or approved by us, except the proprietary products, computer software, computer support services, and specific products and services described above.

We will provide you with specifications governing the minimum standards of certain products, services (including construction of your Store) or equipment you procure from unrelated third parties in our Brand Standards or in other written notices we transmit to you. We may modify our specifications in writing, and may add new specifications in writing. You may purchase these items from any supplier whose product, service or equipment meets our specifications.

We issue and modify specifications in writing, through our Brand Standards or other written notices to franchisees.

We do not maintain written criteria for approving suppliers, and thus these criteria are not available to you or your proposed supplier. If we name a supplier for a product or service, you may contract with an alternative supplier if you meet our criteria. To obtain our written approval for the alternative supplier:

- You must submit a written request to us for approval of the supplier.
- The supplier must meet our specifications and quality requirements to our reasonable satisfaction.
- The supplier must demonstrate to our reasonable satisfaction that it is in good standing in the business community for financial soundness and reliability of its product or service.
- If the supplier's quality falls below the quality of product or service provided by our other approved supplier(s), or if the supplier's price materially increases, then we may revoke our approval of the supplier.

We may test, at your expense, the product or service of any supplier you propose, whether or not the supplier is then approved by us. We will give you notice of our approval or disapproval within sixty (60) days. If we test the product or service, the cost to you of testing will range from \$1,000 to \$5,000, depending on the nature and complexity of the testing necessary for the product or service. If we revoke approval of any supplier, we will give you written notice (in our Brand Standards or otherwise).

We are in discussions to negotiate installment terms of payments with the supplier of golf simulators to GolfCave Stores which the supplier deems sufficiently creditworthy, ~~allowing~~. The arrangements allow for a discounted payment in approximately four equal full up-front, or payment in installments over approximately 9 months, with approximately 25% a down payment due at signing, which would significantly lower the amount of cash needed before opening. Otherwise, we currently have not negotiated any purchase arrangements with suppliers for the benefit of franchisees, but we reserve the right to do so.

There are no purchasing or distribution cooperatives.

We provide you with no material benefits (such as granting additional franchises) based on your use of designated or approved sources.

We and our affiliates currently receive no payments or rebates from any supplier, nor do we or our affiliates receive any special discount on purchases from any supplier for ourselves or themselves, in connection with purchases from our franchisees, but we reserve the right to do so in the future.

We estimate that the required purchases described above are 75% of the cost to establish a franchised GolfCave Business and approximately -7% – 10% of operating expenses.

ITEM 9 FRANCHISEE'S OBLIGATIONS

These tables list your principal obligations under the Franchise Agreement, Area Development Agreement and other agreements. They will help you find more detailed information about your obligations in these agreements and in other items of this Disclosure Document.

Franchise Agreement

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Article 6 of Franchise Agreement, Exhibit C	Items 7 and 11
b. Pre-opening purchases/leases	Sections 7.02, 8.01, 8.02, 8.06, 8.07 and 8.08 of Franchise Agreement	Items 6, 7, 8 and 11
c. Site development and other pre-opening requirements	Article 5 of Franchise Agreement	Not Applicable
d. Initial and ongoing training	Sections 7.02 – 7.04 of Franchise Agreement	Item 11
e. Opening	Sections 7.02 and 8.01 of Franchise Agreement	Item 11
f. Fees	Article 5, Sections 7.02, 7.04, 8.08I, 8.10, 8.27, 9.03, 10.01, 11.01, 13.01, 14.04, 14.05, and 18.01 of Franchise Agreement	Items 5 and 6
g. Compliance with standards and policies/Operating Manual	Articles 8 - 10 of Franchise Agreement	Items 7, 8, 11, 15 and 16
h. Trademarks and proprietary information	Articles 12, 15 and 18 of Franchise Agreement	Items 13 and 14
i. Restrictions on products/services offered	Sections 3.03, 3.04, and 8.08 of Franchise Agreement	Item 16
j. Warranty and customer service requirements	Not applicable	Item 16
k. Territorial development and sales quotas	Not applicable	Item 12
l. Ongoing product/service purchases	Section 8.08 of Franchise Agreement	Items 6 and 8

	Obligation	Section in Agreement	Disclosure Document Item
m.	Maintenance, appearance and remodeling requirements	Sections 6.05, 6.06, 8.06, 13.01, 14.04 of Franchise Agreement	Item 11
n.	Insurance	Article 8 of Franchise Agreement, Article 9 of Area Development Agreement	Item 6
o.	Advertising	Article 10 of Franchise Agreement	Item 11
p.	Indemnification	Article 9, Sections 6.03, 8.05, 8.10, 8.16, 8.24, 8.26, 14.04, 14.08, 16.01 of Franchise Agreement	Item 6
q.	Owner's participation/management/staffing	Section 8.07 of Franchise Agreement	Item 15
r.	Records and reports	Article 11, Sections 5.06, 7.06, 8.06, 8.11, 8.17, 8.17 and 8.26 of Franchise Agreement	Item 6
s.	Inspections and audits	Article 11, Sections 8.11 and 10.01 of Franchise Agreement	Item 6
t.	Transfer	Article 14 of Franchise Agreement	Item 17
u.	Renewal/Successor Term	Article 13, Section 4.02 of Franchise Agreement	Item 17
v.	Post-termination obligations	Articles 18 and 19 of Franchise Agreement	Item 17
w.	Non-competition covenants	Article 12 of Franchise Agreement	Item 17
x.	Dispute resolution	Articles 23-26, 28, 30-32, 34-35 of Franchise Agreement	Item 17
y.	Personal guarantee	Section 31 of Franchise Agreement	Item 15
z.	Comply with coupons, gift certificates and voucher programs	Section 8.27 of Franchise Agreement	Items 8 and 11

Area Development Agreement

	Obligation	Section in Area Development Agreement	Item in Disclosure Document
a.	Site selection and acquisition/lease	Article 3 and Exhibit A	Items 7 and 12
b.	Pre-opening purchases/leases	Not applicable	Items 6, 7, 8 and 11
c.	Site development and other pre-opening requirements	Not applicable	Item 12
d.	Initial and ongoing training	Sections 8.01 and 9.06	Item 11
e.	Opening	Section 6.01	Item 11
f.	Fees	Article 5	Items 5, 6 and 7
g.	Compliance with standards and policies/Operating Manuals	Article 9	Items 7, 8, 11, 15 and 16
h.	Trademarks and proprietary information	Articles 10, 11 and 13, Exhibit C	Items 13 and 14
i.	Restrictions on products/services offered	Article 3	Item 16
j.	Warranty and customer service requirements	Not applicable	Not applicable
k.	Territorial development and sales quotas	Article 6	Item 12
l.	Ongoing product/service purchases	Not applicable	Not applicable
m.	Maintenance, appearance and remodeling requirements	Not applicable	Not applicable
n.	Insurance	Not applicable	Not applicable
o.	Advertising	Not applicable	Not applicable
p.	Indemnification	Section 9.03	Item 6
q.	Owner's participation/management/staffing	Section 9.06	Item 15
r.	Records and reports	Section 9.04	Not applicable
s.	Inspections and audits	Not applicable	Not applicable
t.	Transfer	Article 12	Item 17
u.	Renewal	Not applicable	Item 17

Obligation	Section in Area Development Agreement	Item in Disclosure Document
v. Post-termination obligations	Article 16	Item 17
w. Non-competition covenants	Article 11	Item 17
x. Dispute resolution	Article 18	Item 17
y. Other: Guarantee	Section 18.15, Exhibit D	Item 15

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.

Pre-Opening Obligations

Area Development Agreement

If you sign an Area Development Agreement with us, then, under the Area Development Agreement, we will:

- (1) Designate your Development Territory, the number of Businesses (Stores) you will open, and the development schedule setting the timetable you will follow for opening the Businesses, based on our mutual agreement. (Area Development Agreement, Sections 3.01 and 6.01) You and we will decide on your Development Territory together, considering factors such as the general locations and neighborhoods and proximity to customers in the Development Territory we are considering; traffic patterns in the Development Territory; co-tenant attractiveness in the sites available in the Development Territory; size of the available spaces in the Development Territory; age and condition of the buildings in which the Store Locations might be situated in the Development Territory being considered; the availability of locations and necessary zoning in the Development Territory; and, the location of competitors in the Development Territory. In deciding on the number of GolfCave Businesses and the development schedule for opening them, you and we will consider factors such as the potential total number of Businesses in the Development Territory; how aggressive the opening schedule should be; your experience, if any, in the industry; your experience in franchising; and, the capital commitment you are able and willing to make. If you and we do not agree on the Development Territory, the number of Businesses to be opened and the development schedule, then you and we will not sign an Area Development Agreement. We do not approve or disapprove of the sites for your Store Locations under the Area Development Agreement; we do this under, and pursuant to the terms and conditions set forth in, the unit Franchise Agreement and in accordance with our then-current standards imposed in connection with same.
- (2) Under the Unit Franchise Agreements, perform the training, instruction, assistance and other activities and services for which the Franchise Agreements provide. (Area Development Agreement, Section 8.01).

Franchise Agreement

Before you open your Store, we will:

- (1) If you have an Area Development Agreement with us, designate your Development Territory within which you must develop your Store location under your Franchise Agreement. Otherwise, under a Franchise Agreement alone, you do not have any protected territory. (Area Development Agreement, Section 3.01; Franchise Agreement, Section 3.01 and Exhibit A)
- (2) Furnish to you our site selection criteria checklist, and approve or disapprove a site for your Store Location. We do not currently own sites for leasing to franchisees nor do we have current plans to do so, but we may do so in the future. You select the site for your Store Location. We approve or disapprove your proposed site. If you and we cannot agree upon a Store Location or you do not sign a lease for (or own) an approved Store Location within six (6) months following the date we sign the Franchise Agreement, then we can terminate the Franchise Agreement and you will not be entitled to any refund of your Initial Franchise Fee. (Franchise Agreement, Section 6.01)

We may require you to submit maps, completed checklists, photographs, copies of proposed leases, diagrams of the premises with measurements and other information and materials which we may reasonably require to evaluate your proposed Store Location. We may visit your proposed Store Location but the Franchise Agreement does not require us to do so.

We consider the following factors in approving sites: the size of your Development Territory (if you have an Area Development Agreement with us); the market potential and estimated volume of your Business; the general location and neighborhood and nearness to customers; store visibility; traffic patterns; co-tenant attractiveness; size of the space and whether it meets our building specifications; age and condition of the shopping center or building; the location and convenience of entrances; the availability of parking; the availability of locations and necessary zoning; the location of competitors; expected overhead; lease terms; demographics (including median household income).

- (3) Approve or disapprove the lease or purchase agreement for the Store Location within thirty (30) business days after we receive it. If we do not communicate our approval or disapproval to you in that time, and if the Lease is accompanied by a rider containing the required provisions of Exhibit C to the Franchise Agreement, the agreement is approved. (Franchise Agreement, Section 6.02)
- (4) Review your final plans and specifications for the Store promptly and approve or provide comments on the plans and specifications to you. You may not commence construction of the Store until we approve the final plans and specifications in writing. We may provide you with the names of designated or approved suppliers and specifications for some items of the design, construction, furniture, fixtures, equipment and decoration of the Store. We are not required to provide assistance with conforming your Store premises to local ordinances and building codes, obtaining required permits, and/or constructing, remodeling or decorating the premises. We may require, in our Brand Standards as modified from time to time, minimum dimensions, power requirements, lighting, safety and layout directions for efficiency of design, for each Store and each Cave. (Franchise Agreement, Sections 6.03 and 6.04)
- (5) Specify the electronic and/or written accounting and MIS Systems, procedures, formats and reporting requirements which you will use to account for your Business; maintain your financial records and merchandising data; and, generate reports for both you and us. (Franchise Agreement, Section 7.06)
- (6) Lend you a copy of the Confidential Operating Brand Standards (the "Brand Standards"). You must strictly comply with the Brand Standards in operating your Business. We can change the Brand Standards, and you must comply with these changes when you receive them, but

they will not materially alter your rights and obligations under the Franchise Agreement. (Franchise Agreement, Section 7.01)

The following are the Tables of Contents of our operating manuals as of the date of this disclosure document:

Brand Standards Manual

Chapter Title	Number of Pages
Preface and Introduction	8
Service and Product Offerings	4
Customer Service Philosophy and Policies	7
Financial Management	8
Operations	10
Safety and Security	10
Labor Management	15
Marketing	18
Total Number of Pages	80

Start-Up Manual

Additional Manuals	Number of Pages
Start-Up Manual	30

- (7) Furnish you with our Initial Training Program, at no additional cost for up to three people, which must include your Managing Owner (if you are an entity) and your General Manager, at least two (2) months before you open your Store. If you choose to have additional or replacement personnel also attend our Initial Training Program, the charge is \$500 per additional trainee per day. (Franchise Agreement, Section 7.02)
- (8) Furnish you with any written specifications for required equipment, materials, programs, products and services. We do not deliver or install your required equipment, signs, fixtures, opening inventory, or supplies. [As part of required programs, we will obtain for you and you will reimburse us for certain required third-party software \(currently, RingCentral and OpenPath\) before the franchised outlet opens.](#) (Franchise Agreement, Section 8.08)
- (8) Furnish you with our proprietary computer software programs pertaining to your franchised Business, if we develop any (we currently do not have any). See below in this Item 11. (Franchise Agreement, Section 8.08)
- (9) Sell you our proprietary products or services, if we develop any (we currently do not have any). (Franchise Agreement, Section 8.08)
- (10) Furnish you with our reciprocity policy for GolfCave members. (Franchise Agreement, Section 8.08)
- (11) Furnish you with any current requirements we have regarding gift card or other coupon, certificate of voucher programs you must participate in. (Franchise Agreement, Section 8.27)
- (12) Furnish you with our insurance requirements. (Franchise Agreement, Article 9)

- (13) Approve or disapprove, or request that you edit and resubmit, any advertising, direct mail, identification and promotional materials and programs you propose within ten (10) business days of receipt. If we do not respond within ten (10) business days, the material is disapproved. (Franchise Agreement, Section 10.02)
- (14) Furnish you with our requirements regarding branded merchandise to have in inventory for sale to customers in your Store. (Franchise Agreement, Section 10.03)
- (15) Furnish requirements for the selection, training and duties of your personnel and General Manager(s). (Franchise Agreement, Sections 8.07 and 8.18)
- (16) If we determine to do so, exercise rights concerning franchisee pricing of products and services to the fullest extent permitted by then-applicable law. These rights may include, for example, prescribing the maximum and/or minimum prices which you may charge customers; recommending the prices you charge customers; advertising specific prices for some or all products or services sold by your franchised Business, which prices you will be compelled to observe; engaging in marketing, promotional and related campaigns which you must participate in and which may directly or indirectly impact your prices; and, otherwise mandating, directly or indirectly, the maximum and/or minimum prices which your franchised Business may charge the public. We may do so only in certain geographic areas (cities, states, regions) and not others, or with regard to certain groups of franchisees and not others. Any maximum, minimum or other prices we prescribe or suggest may or may not optimize the revenues or profitability of your franchised Business. (Franchise Agreement, Section 7.07)
- (17) Once we receive your request to open your Store, we will notify you in writing whether or not the Store meets our standards and specifications. (Franchise Agreement, Section 8.01)

Obligations After Opening

During the operation of the franchised business, we will:

- (1) We may from time to time offer you the field support services, supervision and/or assistance that we consider advisable through on-site visits, off-site sessions, telephonic, electronic or other communication modes. You may also at any time communicate with our headquarters for consultation and guidance with respect to the operation and management of your GolfCave Business. The timing of these services will be subject to the availability of our personnel. (Franchise Agreement, Section 7.05)
- (2) Provide standard electronic accounting forms, other accounting forms and electronic reports, as part of our Brand Standards or otherwise. (Franchise Agreement, Section 7.06)
- (3) Approve or disapprove, or request that you edit and resubmit, any advertising, direct mail, identification and promotional materials and programs you propose within ten (10) business days of receipt. If we do not respond within ten (10) business days, the material is disapproved. (Franchise Agreement, Section 10.02)
- (4) Furnish you with any specifications for required equipment, materials, programs, products and services. [As part of required programs, we will obtain for you and you will reimburse us for certain required third-party software \(currently, RingCentral and OpenPath\) as part of your ongoing operation of your outlet.](#) (Franchise Agreement, Section 8.08)
- (5) If we develop them, sell you our proprietary products (we currently do not have any). (Franchise Agreement, Section 8.07)
- (6) Continue, if we determine to do so, to engage in the pricing activities described above in this Item 11. (Franchise Agreement, Section 7.07)
- (7) Furnish requirements for the selection, training and duties of your personnel and General Manager(s). (Franchise Agreement, Sections 8.07 and 8.18)

Advertising

Local Advertising

We do not require you to spend a certain amount on local marketing and promotional expenses of the Franchised Business, but we recommend that you spend one percent (1%) of Gross Sales (in addition to the System Brand & Technology Contribution) on local marketing on a quarterly basis on an annual marketing plan we have approved. We may, but are not obligated to, assist you with the review of local media campaigns. We may, but are not obligated to, provide you with standard print media advertising templates to use locally.

Advertising Cooperatives

Advertising Cooperatives

There are ~~currently~~ no advertising cooperatives. ~~We will notify you in writing of the starting date and amount of your advertising cooperative contributions, if we form a regional Advertising Cooperative for your area. We will determine the area of each Advertising Cooperative based on an area that we consider likely to be able to advertise effectively on a cooperative regional basis.~~ The Franchise Agreement ~~gives~~does not give us the power to require advertising cooperatives to be formed, changed, dissolved or merged. ~~Your contributions will be at least 1% but no more than 2% of Gross Revenues (unless the Cooperative changes the maximum contribution under its By-Laws; see Franchise Agreement, Section 10.04 and Sample By-Laws, Exhibit E to the Franchise Agreement). Expenditures by the Regional Advertising Cooperative need not be in proportion to the contributions you make (or any other franchisee makes).~~

~~A Regional Advertising Cooperative may spend funds for: developing advertising ideas and concepts; developing market research and merchandising programs; preparing advertising campaigns; developing promotional ideas and strategies; preparing collateral creative materials; preparing advertisements (including writing, filming, editing, etc.); planning, negotiating, contracting and trafficking media programs; technical and professional advice for programs; public relations; and, administration of the Cooperative, including legal and accounting services to administer the Cooperative.~~

~~The Regional Advertising Cooperative will not be required to prepare annual or periodic financial statements. However, any financial statements that are generated as part of the books and records of the Cooperative will be available for review by franchisees that are members of the Cooperative. The Regional Advertising Cooperative will provide financial information about the Cooperative's operations upon request of the Board of the Cooperative, and the Board will then, in its discretion, present the report to you and the other members of the Cooperative at the next regular meeting or at a special meeting. (See Section 11.02 of the Sample By-Laws, Exhibit E to the Franchise Agreement.)~~

Brand & Technology Fund

You must contribute to our System Brand & Technology Fund (the "Fund"). Currently the required System Brand & Technology Contribution is \$1,000 per month. We may change it up to the greater of \$1,600 per month or 3% of Gross Revenues. (Franchise Agreement, Sections 5.03 and 10.01.)

We will direct all advertising and technology programs of the Fund and control the creative concepts, materials and media used, media placement, focus of technology expansion, expenditure and development, and allocation of the funds. We need not make expenditures for you which are equivalent or proportionate to your contributions. We need not ensure that any particular franchisee benefits directly or proportionately from Fund advertising or technological expenditures. The Fund is not a trust and we are not a fiduciary.

The Fund may be used to meet all costs of (a) administering, directing, preparing, placing and paying for national, regional or local advertising, and (b) researching, developing and providing upgraded or new technology for the System.

The brand promotion expenditures by the Fund may include (without limitation): online advertising campaign; social media campaigns; email advertising; the creation of professional advertising templates for use in advertising targeted toward particular Stores location(s) and the areas surrounding them; television, radio, magazine, newspaper and worldwide web/internet advertising campaigns; other advertising, marketing and public relations materials; point-of-purchase materials; consumer research, interviews and related activities; the creation, maintenance and periodic modification of the GolfCave website; reviewing any advertising material you propose to use (as provided below); search engine optimization; establishing a third party facility for customizing local advertising materials; accounting for GolfCave Fund receipts and expenditures; attendance at industry related conventions, shows or seminars; advertising at sports events; mailers, door hangers, freestanding inserts/coupons, brochures and sponsorships; mystery shoppers (both for the GolfCave System and for competitive networks or units); celebrity endorsements; other activities that we believe are appropriate to enhance, promote and/or protect the GolfCave System; and, engaging advertising agencies to assist in any or all of the above activities, including fees to have print, broadcast and/or internet advertising placed by an agency, and all other public relations and advertising agency fees.

The technology expenditures by the Fund may include (without limitation): software or services for database management and/or website management, customer mobile applications, online ordering apps, additional subscriptions or systems that assist franchisee operations, testing virtual instructor facilities and tools, artificial intelligence, new GolfCave equipment technology, development of software or systems for scheduling, customer interface software or new API (application programming interface), Store monitoring technology, management and auditing of Store data for consistency and compliance with Brand Standards, new payment systems; implementation of blockchain and/or cryptocurrency tools to facilitate business; payments to vendors for providing services related to technology maintenance, upgrading and system changes; data analytics; technology pilot programs; data security devices, practices, procedures, designs and consultations regarding same; data storage, backup and support; research and focus groups pertaining to relevant technology; applications for intellectual property registration and/or protection of technology that is or becomes part of the GolfCave System documentation or Brand Standards; any technological innovations, tools, consulting and processes to help facilitate, make more attractive and/or promote the business of or other upgraded or new software, hardware, services or technology products for Stores or other aspects of the System.

We need not maintain the money paid by franchisees to the Fund and income earned by the Fund in a separate account, but we may not use this money for any purposes other than those provided for in the Franchise Agreement. We can spend money from the Fund for our reasonable administrative costs and overhead for activities reasonably related to the administration of the Fund and advertising or technology programs for franchisees, including, for example, administering and creating marketing content; preparing marketing and advertising materials; developing new technology; working with advertising agencies, advertising placement services and creative talent; working with technology consultants; securing intellectual property rights to technology; preparing an accounting of contributions to the Fund and the annual statement of Fund contributions and expenditures described below; and, otherwise devoting our personnel, resources and/or funds for the benefit of the Fund. Our right to expend monies from the Fund to reimburse us for these activities does not include any advertising agency fees which the Fund must pay to secure the services of an advertising agency or to have print, broadcast or internet advertising placed by an agency.

Within sixty (60) days following the close of our fiscal year, we will prepare (but not audit) a statement detailing Fund income and expenses for the fiscal year just ended. We will send you a copy of this statement upon request.

We will spend most contributions to the Fund for advertising and/or technology purposes during the fiscal year in which the contributions are made. If not all funds in the Brand & Technology Fund are spent in the fiscal year in which they accrue, we will use the remaining amount in the future for the

benefit of the franchisees and the System. If franchisees request, we will provide them with an annual accounting of how the funds are spent, as stated in the paragraph immediately above.

We can use whatever media, create whatever programs and allocate funds from the System Brand & Technology Fund to whatever regions or localities we consider appropriate. The allocation may include rebates to individual franchisees of some or all of their Fund contributions for local advertising or technology expenditures if, in our judgment, our national or regional advertising or technology program or campaign cannot effectively advertise or promote in certain regions or communities. If we determine that the total GolfCave Fund Contributions collected from all GolfCave franchisees and company-owned units is insufficient to sustain a meaningful regional or national advertising or technology campaign, we may rebate all or a portion of the Fund contributions to franchisees and our (or our affiliates') company-owned units on a proportionate basis. You must spend any rebate on the types of local advertising and media, or technology applications, that we determine (or, if we direct, in accordance with the local advertising, promotion and technology requirements of the Franchise Agreement) according to a plan and budget we review and approve in advance. You must document all rebate advertising expenditures, or rebate technology expenditures, to us in a monthly rebate expenditure report form.

The Fund will not be used for any activity whose sole purpose is the sale of franchises. However, the design and maintenance of our Web site (for which Fund monies may be used) may include information and solicitations for prospective franchisees and public relations and community involvement activities which may result in greater awareness of the GolfCave brand and the franchise opportunity.

Although we intend the Fund to be perpetual we can terminate the Fund. We will not terminate the Fund until it has spent all money in the Fund for technology, advertising and/or promotional purposes.

Each GolfCave Business which we or our affiliates own, or may in the future establish and operate, will contribute to the Fund an amount, or percentage of its Gross Revenues, identical to the amount or percentage which then prevails for GolfCave franchisees.

~~We were just recently formed and have not had a Brand & Technology Fund as of the date of this Disclosure Document; therefore, we cannot report on what, during~~ During our most recently concluded fiscal year, ~~amounts~~ (ended December 31, 2023), we spent 33% of the Fund on media production, 33% of the Fund on media placement, and 34% of the Fund ~~were spent on any particular types of expenses~~ on brand development.

Advertising Council

There is no advertising council composed of franchisees. The Franchise Agreement does not give us the power to form, change, or dissolve a franchisee advertising council.

Other Advertising Information

There is no obligation for us to maintain any advertising program or to spend any amount on advertising in your area or, if you have an Area Development Agreement, in your Development Territory. We currently advertise using email and internet channels with local, regional and national coverage. We currently use our in-house personnel to conduct advertising programs, and may use freelancers, and/or national or regional advertising agencies, from time to time as well.

You may develop advertising materials for your own use, at your own cost. As stated above, we must approve these advertising materials in advance and in writing, but if we do not respond within ten (10) business days after receiving your proposed advertising material, the material is disapproved.

You must promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved, upon notice from us.

Merchandise Materials

We may, from time to time provide to you (or have our designated 3rd-party vendor provide to you)

certain merchandising materials identifying the System and to support national promotions, such as menu panels, point of purchase advertising materials, System memorabilia and other brand-relevant merchandise. You will be required to pay the cost for these materials, including shipping and insurance.

Web Sites/Social Media

We alone may establish, maintain, modify or discontinue all internet, worldwide web and electronic commerce activities pertaining to the proprietary system which we may improve, further develop, or otherwise modify from time to time (the "System"), including through the use of a page or profile on a social media website such as (but not limited to) Facebook, Instagram, Snapchat, TikTok, LinkedIn or Twitter. We may establish one or more websites accessible through one or more uniform resource locators ("URL's") and, if we do, we will design and provide for the benefit of your franchised Business a "click through" / "child" subpage at each such website for the promotion of your Business. If we establish one or more websites or other modes of electronic commerce and if we provide a "click through" / "child" subpage at each such website for the promotion of your Business, you must routinely provide us with updated copy, photographs and news stories about your franchised Business suitable for posting on your Business's "click through" / "child" subpage, the content, frequency and procedure of which will be specified in our Brand Standards. Any websites or other modes of electric commerce that we establish or maintain may – in addition to advertising and promoting the programs, products, or services available at Businesses – also be devoted in part to offering Business franchises for sale and be utilized by us to exploit the electronic commerce rights which we alone reserve. Other than the foregoing, you may not maintain your own website or social media page; otherwise maintain a presence or advertise on the internet, through social media or in any other mode of electronic commerce in connection with your franchised Business, including through the use of a page or profile on a social media website such as Facebook, Snapchat or Twitter; establish a link to any website we establish at or from any other website or page; or, at any time establish any other website, social media or electronic commerce presence which in whole or in part incorporates the "GolfCave" name or any name confusingly similar thereto.

We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any GolfCave website we establish and maintain, including any and all material you may furnish to us as provided above. Ownership of the URL (uniform resource locator) and other identifiers associated with any such web site is exclusively ours.

We may establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee e-mail or other electronic messages, System discussion forums and systemwide communications (among other activities) can be effected.

Computers and Point of Sale Systems

When we direct, you must purchase and install, at your expense, the required point-of-sale computer hardware, software, wired and/or wireless internet connections and service, required dedicated telephone and power lines, "smart phone" automated customer purchase tracking facilities and computer-related accessories such as a cash register, receipt printer, and associated hardware and software for your point-of-sale operations; the online scheduling system and customer database software service/subscription which we specify to you; the systems we specify for electronics, gift cards, customer time tracking and scheduling, email, document management, online access control for customers to enter a Store, security, and accounting; the golf simulator machines; if we elect, the centralized customer scheduling database we specify (which may apply across Stores) with regard to scheduling customers; and, other computer-related accessories, peripherals and equipment that we specify in our Brand Standards or otherwise from time to time (the "Computers and Point of Sale Systems"). You must obtain high-speed communications access for your Computers and Point of Sale Systems, such as broadband or other high-speed capacity. You must also maintain a

functioning e-mail address for your Business and such wi-fi service for your customers as we may designate the Brand Standards.

Despite the fact that you agree to buy, use, and maintain the Point of Sale Systems according to our standards and specifications, you will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computers and Point of Sale Systems; (2) the manner in which your Computers and Point of Sale Systems interface with our and any third party's computer system; and (3) any and all consequences if the Point of Sale Systems is not properly operated, maintained, and upgraded.

You must provide all assistance we require to bring your Computers and Point of Sale Systems on-line and (as applicable) connected with our headquarters computers at the earliest possible time and to maintain this connection as we require. You must input and maintain in your Computers and Point of Sale Systems all data and information which we prescribe in our Brand Standards, in our proprietary software and manuals, and otherwise. We will have independent access to and may retrieve from your Computers and Point of Sale Systems all information that we consider necessary, desirable or appropriate. We will bear the telephone costs (if any) of this information retrieval. You must accurately, consistently and completely record, structure, capture and provide through the Computers and Point of Sale Systems all information concerning the operation of the franchised Business that we require, in the form and at the intervals that we require, and allow us independent access to such data - - for example, data on purchases at your Store and on your sales by day-part. We may also from time to time adjust requirements pertaining to capturing and relaying to us customer information and data. If we elect, you must use the centralized customer scheduling database (which may apply across Stores) we specify with regard to scheduling customers. There are no contractual limitations on our right to access the information in your Computers and Point of Sale Systems.

You must use proprietary software and software support services that either we develop and provide (currently there are none) or which are provided by a third-party supplier we designate or approve, and you will execute any standard form software license agreement reasonably necessary to do so. The current expense required to obtain the required software support services is about \$1,000 per year after the first year. You must purchase from us or our designee, as applicable, new, upgraded or substitute proprietary software whenever we determine to adopt them systemwide, at the prices and on the terms that we (if we develop our own proprietary software, which we have not) or such third party vendor establish, but you will not be required to do so more than once in any calendar year. You will pay for new or updated programs and materials when you order them. (Franchise Agreement, Section 8.08)

As part of the point of sale system you use, we currently require you to use our designated or approved suppliers. We currently require you to use our designated or approved vendor for credit card processing, and to follow their specifications for your cash register and receipt printer at your Store. Our current designated vendor charges approximately 3% in credit card processing fees on transactions. We may change the vendor(s) we designate or approve for this purpose at any time.

[You must use access control software and telephone software of the vendors we designate, including obtaining any associated hardware that is required and paying any required ongoing subscription fees. Currently, for access control you must use third-party vendor OpenPath for which the software costs approximately \\$600 per year, and for telephone service you must use third-party vendor RingCentral for which the software costs approximately \\$80 per month.](#)

If we or our affiliates implement any gift card, gift certificate, customer loyalty or retention program, you must purchase any required software, hardware or materials to participate in that program that meets our specifications. (Franchise Agreement, Section 8.27)

The computers, monitors, televisions, projectors, and miscellaneous electronics you must purchase from our designated or approved supplier cost approximately \$32,364 - \$55,000.

The golf simulators you must purchase from our designated or approved supplier cost approximately \$80,000 to \$140,000 for 4 to 7 Caves, respectively (one per Cave), and that includes the first year of golf simulator software.

The point of sale hardware and software (cash register, receipt printer, and associated hardware and software) costs approximately \$1,000 to acquire.

You must keep your Computers and Point of Sale Systems in good maintenance and repair. If we run tests and determine that the installation will benefit you and us, you must install (at your own expense) whatever additions, changes, substitutions and replacements to your computer hardware, software, telephone and power lines, etc. we direct. You must install these items when we direct. You will pay for these items at the time and upon the terms that the sellers specify. There is no contractual limit on our ability to require you to upgrade the system, add components to the system and replace components of the system. You must incur the costs of obtaining computer hardware and software comprising the Computers and Point of Sale Systems or required service or support (which might include fees payable to us and/or our affiliates), even though we cannot estimate these future costs and even though these costs might not be fully amortizable over the Franchise Agreement's remaining term. We have no obligation to reimburse you for any Computers and Point of Sale Systems costs or to provide you with maintenance, repairs, updates or upgrades to your Computers and Point of Sale Systems.

Training

After you obtain your Store Location and at least two (2) months before the opening of your GolfCave Business, we will provide our Initial Training Program to you, your Managing Owner (if you are an entity), and your General Manager. The following is description of our Initial Training Program as of the date of issuance of this Disclosure Document:

TRAINING PROGRAM

Subject	Hours Of Classroom Training	Hours Of On-The-Job Training	Location
Ranger training		15	An existing GolfCave Store in New Jersey we determine, or virtually if we determine
Accounting	2.5		An existing GolfCave Store in New Jersey we determine, or virtually if we determine
Employee support	2.5		An existing GolfCave Store in New Jersey we determine, or virtually if we determine
Manager training	5		An existing GolfCave Store in New Jersey we determine, or virtually if we determine
Customer support		1	An existing GolfCave Store in New Jersey we determine, or virtually if we determine

Subject	Hours Of Classroom Training	Hours Of On-The-Job Training	Location
Tech support	1		An existing GolfCave Store in New Jersey we determine, or virtually if we determine
Repair and maintenance		2.5	An existing GolfCave Store in New Jersey we determine, or virtually if we determine
Marketing / sales training	2.5		An existing GolfCave Store in New Jersey we determine, or virtually if we determine

There is no set minimum frequency of times we conduct the Initial Training Program or any minimum number of times a year; it is scheduled as requested or more frequently, if needed. It is done at an existing corporate or franchised GolfCave Store in New Jersey, although we reserve the right to do the training virtually in our business judgment. The instructional materials consist of our Brand Standards and operations manuals, as well as virtual (online) videos. The minimum experience of the instructors in the field relevant to the subject taught and to our operations is six (6) months of GolfCave management experience (that is, being a manager or more senior role at a GolfCave Store) or being a “Ranger” at a GolfCave Store for at least six (6) months.

The Initial Training Program is mandatory for the franchisee (if an individual) and your General Manager. The Initial Franchise Fee includes the cost of the Initial Training Program for three (3) people, including you (if the franchisee is an individual), your Managing Owner (if the franchisee is a business entity) and your General Manager. You (if an individual), your Managing Owner (if an entity) and your General Manager must attend and complete the Initial Training Program to our satisfaction. If you or your General Manager fails to successfully complete the Initial Training Program, then the person who failed can re-enroll in our next scheduled Initial Training Program at no additional charge. We can terminate the Franchise Agreement if the person fails to successfully complete the Initial Training Program again. If we terminate the Franchise Agreement, you will not be entitled to a refund of the Initial Franchise Fee.

Any Managing Owners or General Managers you appoint after the opening of your GolfCave Business (including any replacements) must attend and successfully complete our next scheduled Initial Training Program at a charge of \$500 per day per trainee. You must pay their transportation costs, meals, lodging and other living expenses to attend training.

You can request on-site training and/or assistance at any time. We will provide it at our option, but the franchise agreement does not require us to provide it. The timing of all on-site and off-site advice, consultation and training (after the Initial Training Program) will be subject to the availability of our personnel. The cost will be \$1,500 per day of on-site training or assistance we provide.

We may from periodically conduct an annual conference, convention or training session. We will determine the duration, curriculum and location of these. You (if an individual) and your General Manager must attend each annual conference, convention or training session.

You must pay all the expenses incurred by your trainees or attendees in connection with the Initial Training Program and any other training, conferences, conventions or other meetings your trainees attend, including, for example, their salaries, transportation costs, meals, lodging and other living expenses. (Franchise Agreement, Section 7.03)

We may (but are not required to) provide a quarterly, mandatory update meeting, conducted virtually via internet, which you (if an individual), your Managing Owner (if a business entity) and your General

Manager must attend, at the dates and times we specify. We may charge attendance fees of up to \$500 per person training for such programs if they include instruction on how to use new technology in your Business.

We will provide you with constant access to our virtual training library, including training videos and related media, some or all of which may be proprietary, and all of which you must keep confidential and not share with others.

Time to Open

You must open your Store within ~~eighteen~~fifteen (15) months after we sign your Franchise Agreement. We estimate that the typical length of time between the signing of the Franchise Agreement and the opening of your GolfCave business is twelve months. Factors affecting time include attendance at and satisfactory completion of our Initial Training Program, obtaining a satisfactory Store site, lease negotiations between you and your landlord, arranging for any financing, complying with local ordinances, completing delivery and installation of equipment and signs and procuring opening inventory.

ITEM 12 TERRITORY

Franchise Agreement

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

You may operate your franchised Business from only one Store Location. "Store Location" means a location you select and we approve, from which you conduct the GolfCave Business, stated in Exhibit A of your Franchise Agreement.

You may not relocate the Store without our previous written approval. You must reimburse us for any reasonable costs we incur in considering your request. We will grant approval if you are in compliance with the Franchise Agreement, you have paid all money owed to us and our affiliates, the proposed location meets our site selection criteria, and you comply with the lease requirements in the Franchise Agreement. We may, if we wish, inspect your proposed new location.

The Franchise Agreement grants you no options, rights of first refusal or similar rights to acquire additional franchises within the Territory or contiguous territories.

Your GolfCave Business may only offer and sell its products and services from your GolfCave Store. Your Business may not sell any products or services through any alternative channels of distribution, such as the internet/worldwide web and other forms of electronic commerce or any other channel of distribution except for your franchised GolfCave Store, or the sale of membership, gift cards and tee times to customers online through the GolfCave official website.

Within your Store Location, neither we nor any affiliate (meaning any individual or entity we control, which controls us, or which is under common control with us, together our "affiliates") will operate or grant a franchise for a GolfCave Store business operated under the Proprietary Marks of the type franchised to you, or a similar or competitive business, except as provided below. These restrictions will terminate immediately upon the expiration or termination of the Franchise Agreement for any reason.

Outside of your Store Location, we and/or our affiliates reserve the right to operate any number of Businesses, and/or authorize others to operate same, at any location whatsoever, including one or more locations that may be proximate to, but not within, your Store Location. Outside of your Store Location, we and/or our affiliates may engage in any business activity and deploy any business concept whatsoever and use our Proprietary Marks or any other names or marks owned or developed by us or our affiliates in connection with such other concepts and business activities. The Franchise Agreement does not confer upon you any right to participate in or benefit from such other concepts or business activities, regardless of whether it is conducted under the Proprietary Marks or not. You will receive no compensation for these businesses' sales. Our and our affiliates' rights to

engage in other business activities are specifically reserved and may not be qualified or diminished in any way by implication.

Only we and/or our affiliates have the right to sell within and outside your Store Location, under the Proprietary Marks, all products or services and/or their components -- including those used or sold by your GolfCave Store -- through any method of distribution other than a GolfCave Store situated within your Store Location, including the internet/worldwide web; any other form of electronic commerce; online networks; other permanent, temporary or seasonal facilities; or, any other channel of distribution except for a GolfCave Store. However, you may sell membership, gift cards and tee times to customers online through the GolfCave official website. You will receive no compensation for our or our affiliates' sales through alternative distribution channels.

In addition, we and/or our affiliates have the right to offer and sell (directly, or through other franchisees or licensees) System programs, products and services at any and all nontraditional locations, including nontraditional locations situated in your Location, through the establishment of Stores, kiosks, mobile units, concessions or "shop in shops", and by contrast, you are precluded from engaging in such activity. "Nontraditional locations" are locations or venues at which access to the general public is restricted and include sports arenas and venues; theatres; resorts; malls; schools and universities; hospitals and healthcare facilities; airports; guest lodging facilities; government facilities; condominium and cooperative complexes; the premises of any third party retailer which is not an indoor golf facility (including shops, stores and department stores); military bases and installations.

Both within and outside your franchised Store, we and/or our affiliates alone have the right to sell System programs, products and services to National, Regional and Institutional Accounts. "National, Regional and Institutional Accounts" are organizational or institutional customers whose presence is not confined to your Store, including (by way of example only): government agencies, branches or facilities; guest lodging networks; healthcare networks; the military; and, any other customer whose presence is not confined to your Store but is national, regional or institutional in nature. Only we will have the right to enter into contracts with National, Regional and/or Institutional Accounts. If we receive orders for any GolfCave products or services calling for delivery or performance in your Store as a result of our engaging in commerce with National, Regional and Institutional Accounts, then we will have the right, but not the obligation, either to require you to fulfill such orders at the price we agree on with the customer or to give you the opportunity to fulfill such orders at the price we agree on with the customer. If we give you the opportunity to fulfill such orders and if, for any reason, you do not desire to or cannot serve the customer, or if the customer desires for any or no reason to deal exclusively with us, our affiliate or another franchisee and not with you, then we, our affiliate or any other GolfCave franchisee may serve the customer within your Store, and you will not be entitled to any compensation. The procedures governing our National, Regional and Institutional Accounts program are set forth in our Brand Standards.

We may purchase, merge, ~~acquired~~[acquire](#), be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the location of that other business' facilities, and we may then operate, franchise or license those other businesses and/or facilities under any names or marks other than the Proprietary Marks regardless of the location of these businesses and/or facilities, which may be immediately near your Store Location. You will receive no compensation for these activities.

We and our affiliates have not established and do not currently intend to establish any other franchises, company-owned outlets or other distribution channels offering similar products or services under a different trademark anywhere in the United States, but we may do so in the future.

There is no minimum sales quota under your Franchise Agreement. During the term of your Franchise Agreement, there are no circumstances when we can alter your rights regarding your Store Location. The Franchise Agreements does not grant you any options, rights of first refusal or similar rights to acquire additional franchises near your Store Location or otherwise.

Area Development Agreement

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.

If you and we sign an Area Development Agreement, we will grant you "Development Territory" and you will promise to develop, own and operate franchised GolfCave Businesses within the Development Territory. You will not receive an exclusive Development Territory because you may face competition from outlets that we may own at nontraditional locations, from other channels of distribution or competitive brands that we control. Your Development Territory will be set forth on Exhibit A to your Area Development Agreement. The Development Territory involves some limited territorial protection. The Development Territory is restricted to a geographic area within which you agree to establish and operate your GolfCave Stores under Franchise Agreements. The size of your Development Territory depends on many factors and is agreed between you and us, considering factors such as your market area, including population density, drive times, and similar factors. There is no set minimum or maximum Development Territory. Your Development Territory will depend on your specific market and circumstances on a case-by-case basis.

For so long as the Area Development Agreement is in effect, neither we nor any of our affiliates (meaning any individual or entity we control, which controls us or which is under common control with us, together our "affiliates") will, within the Development Territory, operate or grant a franchise for a GolfCave Store business operated under the Proprietary Marks of the type franchised to you, or a similar or competitive business, except for the rights we reserve that are described below (including, without limitation, our right to operate a GolfCave Store or offer and sell GolfCave products and services at a Nontraditional Location located within your Development Territory). These restrictions will terminate immediately upon the expiration or termination of the Area Development Agreement for any reason.

Outside of the Development Territory, we and our affiliates reserve the right to operate any number of GolfCave Businesses, and to authorize others to operate them, at any location we choose (including one or more locations that may be proximate to, but not within, the Development Territory).

We and our Affiliates may have, and may later acquire or develop, rights and property that are not granted to you or may not be designated as part of the System. The Franchise Agreement does not create any form of franchise or license with respect to those rights, all of which remain our property. We reserve those rights and all rights not expressly granted in the Area Development Agreement. These rights will not be qualified or diminished in any way by implication. For example, and without limitation, we or our Affiliates may own, operate or authorize others to own or operate GolfCave Businesses or any other form of GolfCave business subject only to the territorial restrictions provided above and engage in or authorize others to conduct at any location any form of business including any type of product or service not offered under the Proprietary Marks. Without limiting the generality of this paragraph, we and our Affiliates reserve the following specific rights:

We and our Affiliates may sell within and outside your Development Territory through any methods of distribution other than a dedicated GolfCave Store, including, without limitation, the internet/worldwide web and other forms of electronic commerce; online networks; "800" or similar toll-free telephone numbers (other than those we establish and make available to you for use in your franchised business hereunder); mail order; catalogues; direct marketing campaigns, including mail and phone solicitations; and, television sales, including "infomercials" (collectively, "Alternative Distribution Channels").

The Area Development Agreement confers no marketing exclusivity in the Development Territory on you, and all GolfCave Businesses (whether company-owned, company joint-ventured, franchised or otherwise) may solicit, service, advertise and offer their products and services to any individual or entity, regardless of your or its geographic location, including your Development Territory.

We may purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the

location of that other business' facilities, and following this activity we may operate, franchise or license those other businesses and/or facilities under any names or marks other than the Proprietary Marks (while the Area Development Agreement is in effect) regardless of the location of these businesses and/or facilities, which may be within the Development Territory or immediately proximate to it.

You will have the right and obligation to open and operate in your Development Territory the number of GolfCave Businesses on the Development Schedule in Section 6.01 of your Area Development Agreement. You must comply with the timetable on the Development Schedule. Your Development Schedule may give you the right and obligation to open and operate three or more GolfCave Businesses.

You may not open or operate more than the number of Businesses set forth on the Development Schedule in Section 6.01 of the Area Development Agreement without first obtaining our written consent. Any additional Business you open and operate will be subject to the terms and conditions of the Area Development Agreement.

Except for causes beyond your control as described in Section 17.01 of the Area Development Agreement, if you fail to adhere to the Development Schedule in your Area Development Agreement by either: failing to execute the Franchise Agreement for each franchised Business on or before the date of execution specified on the Development Schedule, or failing to commence operations of each franchised Business on or before the applicable commencement of operations date specified on the Development Schedule, then we can terminate the Area Development Agreement. If we terminate the Area Development Agreement for this reason, this will not be a termination of any Franchise Agreements you and we signed under which you have already begun operating the franchised GolfCave Businesses covered by the Franchise Agreements if you have fully performed and been in compliance with all of your obligations under those Franchise Agreements but you will not be entitled to open any further GolfCave Businesses in the Development Territory and you will not be entitled to the return of the Area Development Fees you paid for the undeveloped GolfCave Businesses.

The Area Development Agreement grants you no options, rights of first refusal or similar rights to acquire additional franchises.

ITEM 13 TRADEMARKS

The principal trademark which we will license to you appears on the cover of this disclosure document. "Proprietary Marks" means our symbols, trademarks, service marks, logotypes and trade names.

The following is a description of the principal Proprietary Mark which we will license to you, which has been registered on the Principal Register of the United States Patent and Trademark Office:

Principal Federal Registration

Registration Number	Description Of Mark	Principal Or Supplemental Register	Registration Date
4420935	GOLFCAVE (word mark)	Principal	October 22, 2013

7073080	 <p>(The mark consists of four images starting from an ape evolving into a human golfer with a golf club and hat, appearing over three horizontal stick designs.)</p>	Principal	June 6, 2023
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There ~~is an~~ [are](#) additional principal ~~mark~~ [marks](#) which we will license to you, for which ~~an application (US Serial Number 97375009) has applications have~~ been filed ~~(on April 21, 2022)~~ for registration on the Principal Register of the United States Patent and Trademark Office and ~~is~~ [which are](#) pending. ~~That mark consists of four images starting from an ape evolving into a human golfer with a golf club and hat, appearing over three horizontal stick designs.~~

[Principal Federal Applications](#)

Application Number	Description Of Mark	Application Date
98427168	LEARN. PLAY. IMPROVE. (word mark)	Feb. 29, 2024
98425705	THE EVOLUTION OF GOLF (word mark)	Feb. 28, 2024

We do not yet have ~~a~~ federal ~~registration~~ [registrations](#) for ~~that mark~~ [the marks listed above which are the subject of applications](#) (the “Pending ~~Mark~~”- ~~Marks~~”). Therefore, the Pending ~~Mark~~ [does](#) ~~Marks~~ [do](#) not have as many legal benefits and rights as a federally registered trademark. If our right to use ~~any of~~ the Pending ~~Mark~~ [Marks](#) is challenged, you may have to change to an alternative trademark, which may increase your expenses. ~~However, we and our affiliates possess common law rights in and to the Pending Mark as well as rights to the registered Proprietary Mark shown above, which establishes rights in and to the GOLFCAVE mark.~~

Our affiliate, GolfCave IP LLC, a New Jersey limited liability company, has licensed us to use the GolfCave System, trademarks, service marks and other intellectual property and to sublicense them to our franchisees in a cross-license agreement dated as of May 31, 2022. The initial term of the Cross-License Agreement is twenty (20) years. The non-exclusive territory of the Cross-License Agreement is the United States, its territories and possessions. There are no provisions in the Cross-License Agreement regarding cancellation of that agreement. So long as we are not in default, we will have the right to enter into renewal Cross-License Agreements for additional consecutive terms of twenty (20) years each.

There are presently no effective determinations of the U.S. Patent and Trademark Office, any trademark trial and appeal board, any state trademark administrator or any court, any pending interference, opposition, or cancellation proceeding, or any pending material litigation involving any of the above-referenced Proprietary Marks which is relevant to your use. There are no agreements which significantly limit our rights to use or license the Proprietary Marks. There are no infringing uses or superior previous rights known to us that can materially affect your use of the Proprietary Marks in this state or any other state in which the franchised Business is to be located. There is no pending material federal or state court litigation regarding our use or ownership rights in any Trademark. All required affidavits have been filed. All required renewals have been filed.

We have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you. If you learn of any claim against you for alleged infringement, unfair competition, or similar claims about the Proprietary Marks, you must promptly notify us. We will promptly take the action we consider necessary to defend you, so long as the claim is based solely

on any alleged infringement, unfair competition, or similar matter relating to your use of the Proprietary Marks or copyrights. We may (but are not required to) indemnify you for any action against you by a third party based solely on alleged infringement, unfair competition, or similar claims about the Proprietary Marks. You may not settle or compromise any of these claims without our previous written consent. We will have the right to defend and settle any claim at our sole expense, using our own counsel. You must cooperate with us in the defense. Under the Franchise Agreement, you irrevocably grant us authority to defend or settle these claims. You may participate at your own expense, but our decisions with regard to the defense or settlement will be final. We will have no obligation to defend or indemnify you if the claim against you relates to your use of the Proprietary Marks in violation of the Franchise Agreement.

If you learn that any third party whom you believe is not authorized to use the Proprietary Marks is using the Marks or any variant of the Marks, you must promptly notify us. We will determine whether or not we wish to take any action against the third party. You will have no right to make any demand or to prosecute any claim against the alleged infringer for the infringement.

You must comply with any instruction by us to modify or discontinue use of any Proprietary Mark or to adopt or use additional or substituted Proprietary Marks. If this happens, we will reimburse you for your documented expenses of complying (such as changing signs, stationery, etc.). Except for reimbursing your documented expenses of complying, we will not be liable to you for any resulting expenses.

ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

We hold no rights in, or licenses to, patents that are material to the franchise and have no pending patent applications that are material to the franchise.

We or our affiliate, GolfCave IP LLC, claim copyrights on certain software, forms, advertisements, promotional materials and other written materials. We also claim copyrights and other proprietary rights in GolfCave's Confidential Brand Standards. We have not applied for registration of any copyrights that are material to the franchise.

There are no agreements currently in effect which significantly limit your right to use any of our copyrights relating to the GolfCave System. Also, there are no currently effective determinations of the United States Patent and Trademark Office, Copyright Office (Library of Congress) or any court pertaining to or affecting any of our copyrights discussed above. Finally, as of the date of this disclosure document, we are unaware of any infringing uses of or superior previous rights to any of our copyrights which could materially affect your use of them in this state or in the state in which the franchised GolfCave Business will be located. While we are aware of a business named "The Golf Cave" in Wisconsin, and a "Golf Cave Munich" business in Germany, which are each unaffiliated with us, we do not believe those businesses could materially affect your use of our copyrights or other intellectual property.

Your and our obligations to protect your rights to use our copyrights are the same as the obligations for Proprietary Marks described in Item 13 of this disclosure document.

Confidential Information

You may never – during the Initial Term, any Successor Term, or after the Franchise Agreement expires or is terminated, and during the term of your Area Development Agreement (if you have one) – reveal any of our confidential information to another person or use it for any other person or business. You may not copy any of our confidential information or give it to a third party except as we authorize.

Under the Franchise Agreement and Area Development Agreement, the following persons must sign our Confidentiality/Non-Competition Agreement (Exhibit D to the Franchise Agreement and Exhibit C to the Area Development Agreement):

- Before employment or any promotion, your General Manager and all other managerial personnel, and each of the individual “Rangers” you employ for your Store.
- If you are a business entity, and as applicable, all of your owners, equity holders, control persons, shareholders, members, partners and general partner(s); all of your officers, directors and managers; and, all persons possessing equivalent positions in any business entity which directly or indirectly owns and/or controls you.
- If you have an Area Development Agreement, your Area Manager and any District Managers.

Our confidential information will include information, knowledge, trade secrets or know-how used or embraced by the GolfCave System, the Brand Standards, and many other matters specified in the Franchise Agreement.

You must irrevocably license to us all intellectual property, services, products, equipment, programs, sales, marketing, advertising and promotional programs, campaigns or materials, and sales methods you develop for the Business. We will not be liable to you in any way because of this license.

ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Franchise Agreement

You must personally supervise the operation of the franchised Business, unless we permit in writing. You must devote the necessary time and your best efforts for the proper and effective operation of the Business. If we license you to operate more than one GolfCave Business, you must devote the time necessary for the proper and effective operation of all your Businesses.

If an individual, you must either serve as or designate a full-time General Manager that you hire. If you are an individual, we recommend that you personally serve as your own General Manager. An entity franchisee must designate a General Manager. The General Manager, who will have day-to-day management responsibility for your GolfCave Business, will exercise on-premises supervision and personally participate in the direct operation of the Business. You must inform us in writing of your General Managers and any successors in advance. We must approve your General Managers before you appoint them. Your General Managers must complete the Initial Training Program to our satisfaction. After a General Manager's death, disability or termination of employment, you must immediately notify us within five days, and you must designate a successor or acting General Manager within ten days.

If you are a business entity, then you must designate one of your ultimate equity holders who is an individual to us to serve as the “Managing Owner” of your franchised GolfCave Business. You may not change your Managing Owner without our prior written approval. Your designated Managing Owner may, but need not, also serve as the General Manager of your franchised GolfCave Business. If your Managing Owner does so, then that individual must exert full time efforts to run the daily operations of your franchised GolfCave Business. Otherwise, your Managing Owner need not exert full-time efforts to run the daily operations of your Business but must oversee the efforts of your General Manager on a constant basis. Your Managing Owner must complete the Initial Training Program to our satisfaction.

If the franchisee is a business entity, the General Manager need not have any equity interest in the franchisee entity.

Your General Manager and the other persons listed in Item 14 must sign our confidentiality/non-competition agreement (Exhibit D to the Franchise Agreement) and keep our confidential or proprietary information confidential (see Item 14):

If you are a business entity, each owner of an interest in you whom we require to do so must sign a personal guarantee in the form of Exhibit F to the Franchise Agreement. If your spouse is not a party

to the Franchise Agreement or a direct owner of record of your business entity then they are not required to sign a personal guarantee.

Area Development Agreement

If you operate under an Area Development Agreement, then you must designate in writing to us an Area Manager who will have the obligation to oversee operations of all of your GolfCave Stores. With our permission, the Area Manager may have District Managers work under him or her, if identified and approved by us in advance. You must inform us in writing of your Area Manager and any replacement Area Manager. The Area Manager must be qualified to manage multi-unit operations and must have attended and successfully completed our Initial Training Program. Upon the death, disability or termination of employment of the Area Manager, for any cause or reason, you must immediately notify us, and designate and obtain our written approval of an interim or acting Area Manager and, no later than ninety (90) days following the death, disability or termination of the predecessor Area Manager, you must designate a successor Area Manager.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must at all times offer and sell all products, services and programs which we designate part of the GolfCave System unless you are prohibited by local law or regulation from selling a GolfCave System item, product, service or program or we have granted you our advance written approval to exclude an item, product, service or program that is part of the System. Required programs, products or services may include, without limitation, offering memberships in accordance with our current Brand Standards and providing members (whether of your Store or another GolfCave Store) access to certain programs, products or services to which you do not provide access to non-Members (or not during certain hours), in accordance with the Brand Standards in effect from time to time.

If you would like to sell any product, service or program which is not a part of the GolfCave System, then you must seek and obtain our advance written permission. If we grant our advance written approval, then the product, service or program in question will become a part of the GolfCave System (though we will not be required to, but may, authorize it for sale at one or more other GolfCave Stores). We may subsequently revoke our approval. We will own all rights associated with the product, service or program. You will not be entitled to any compensation in connection with it.

We may add to, delete from or modify the services, products and programs which you can and must offer or we may modify the System. You must abide by any additions, deletions and modifications. There are no limits on our rights to make these changes. Such modifications may obligate you to invest additional capital or incur higher operating costs.

In addition to modifications of the GolfCave System, we may at times co-brand one or more Store concepts which we or our affiliates operate with GolfCave System Stores and/or offer for sale in GolfCave System Stores products sold in businesses operated by us and/or our affiliates (collectively, "Co-Branding"). This Co-Branding may involve changes to the Proprietary Marks, and may require you to modify the building and premises of your GolfCave System Store and the furnishing, fixtures, equipment, signs and trade dress at your GolfCave Store. If you receive written notice of our institution of Co-Branding, you must implement the Co-Branding at your franchised Business. The Franchise Agreement does not place any limit on our rights to require you to make changes for Co-Branding.

You may only sell GolfCave System products and services at retail from your GolfCave Store, and you may not engage in the wholesale sale and/or distribution of any GolfCave product, service, equipment or other component, or any related product or service. Under no circumstances may your Business offer delivery of System items or products except as we may (but need not) authorize in writing.

You must abide by GolfCave's Reciprocity Policy regarding customers of other Stores, as modified from time to time, as a part of our Brand Standards. This policy may restrict or prohibit you from selling any membership that does not provide reciprocity benefits to all your members, and may

require you to provide a means of accessing your Store by customers of other GolfCave Stores (whether owned/operated by you or not) during the hours permitted under such policy (if permitted during unstaffed hours, typically through an access card or key fob system we designate). This may require you, among other things, to transfer GolfCave members from your Store to another Store based on the current GolfCave Reciprocity Policy; obtain signed waiver forms from members of other Stores who patronize your Store; and, charge certain capped additional fees to members of other GolfCave Stores that choose to patronize your Store (as we may detail from time to time in our Brand Standards).

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists certain important provisions of the franchise and related agreements ~~pertaining to successor terms, termination, transfer and dispute resolution.~~ You should read these provisions in the agreements attached to this Disclosure Document.

THE FRANCHISE RELATIONSHIP

Franchise Agreement

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 4.01	Term begins when we countersign the Franchise Agreement and ends ten (10) years from the date that you commence operations of your franchised Business (i.e., open to the public).
b. Renewal or extension of the term	Section 4.02, 13.01	You can enter into up to 2 consecutive, 5-year Successor Franchise Agreements for a term of five years each if you (a) notify us no more than nine months and no less than six months before expiration; (b) comply with the Franchise Agreement and Brand Standards and you did so and met your material obligations on time throughout the Initial Term; and, (c) satisfy all monetary obligations to us, our affiliates, landlord and suppliers.
c. Requirements for you to renew or extend	Sections 6.06, 13.01, 13.02	<p>a. You must notify us in writing no more than nine months and no less than six months before the expiration of the Initial Term of the Franchise Agreement of your intent to enter into a Successor Franchise Agreement.</p> <p>b. Evidence that you can renew your lease on terms acceptable to you and us, or lease an acceptable new GolfCave Store Location without any interruption of business.</p> <p>c. Sign a General Release in the form of Exhibit G (but <u>not</u> releasing us from future claims under the Successor Franchise Agreement).</p> <p>d. You or your General Manager (as the case may be), and any other management and staff we designate must attend and successfully complete any training that we may reasonably require, at your expense.</p> <p>e. You must pay us a successor franchise fee equal to two-thirds of our then-current Initial Franchise Fee for similar franchised Stores. "Renewal" in our franchise system means signing our then-current form of franchise agreement as a successor agreement. It doesnot mean renewing or extending the same contract you first signed with us. As a condition for "renewal," you may be asked to sign a contract with materially different terms and conditions than your original contract, but there will be no initial franchise fee, the limited successor franchise rights of the Franchise Agreement will be incorporated, the boundaries of your Store Location will remain the same, and the Continuing Royalty on Successor Franchise Agreements will not be greater than the Continuing Royalty that we then impose on similarly-situated franchisees entering into a Successor Term.</p> <p>f. Before the commencement of the applicable Successor Term, you must, at your cost and expense, refurbish, resdesign and/or remodel your franchised Store as we reasonably require to meet our then current standards, requirements and specifications (including, without limitation, refurbishing, repairing or replacing all equipment, electronic cash register systems, Computers and Point of Sale Systems, signs, interior and exterior décor items, fixtures, furnishings, supplies and other products and materials required for the operation of the Store and otherwise</p>

Provision	Section in Franchise Agreement	Summary
		<p>upgrading the Store as we reasonably require to reflect our then-current System standards and the image of the System.</p> <p>g. At the time of entering into a Successor Term, you (and your affiliates) must be current on the payment of all monetary obligations to us, our affiliates, the lessor or sublessor of your Store and any material third party supplier of yours.</p> <p>h. If you and we are parties to an Area Development Agreement, you must have complied with your development obligations under the Area Development Agreement.</p>
d. Termination by you	Section 17.02, 17.05, 17.06	<p>a. You may terminate the Franchise Agreement if you and we agree in writing. You may also terminate the Franchise Agreement under any grounds permitted by law.</p> <p>b. Your failure to pay any Continuing Royalties, System Brand & Technology Fund Contributions or other money after you receive notice of the default granting an opportunity to cure, will mean that you are willfully and wrongful breaching the Franchise Agreement and that you have decided to reject and terminate the Franchise Agreement and all Agreements between you and us (or our affiliates) related to the Franchise Agreement.</p>
e. Termination by us without cause	None.	
f. Termination by us with cause	Article 17	We may terminate only if you default. The Franchise Agreement describes defaults throughout – please read it carefully.
g. "Cause" defined - defaults which can be cured	Section 17.03	<p>You have fifteen days to cure the default if you do not comply with any lawful Franchise Agreement or Manual provision or requirement or otherwise fail to fulfill the terms of the Franchise Agreement in good faith, except for defaults described in h. below. Examples of curable defaults include:</p> <p>a. You do not pay promptly when due any money owed to us, our affiliates or any lender which has provided financing to your franchised Business under any arrangement with us. The cure period for this default will be five days after written notice of default. If you do not cure within the shortened cure period, the Franchise Agreement will terminate immediately upon expiration of the five day cure period, or any longer period required by applicable law.</p> <p>b. You do not submit required reports or make any false statement in connection with any reports or information you submit to us.</p> <p>c. You sell unauthorized services or products.</p> <p>d. You fail to maintain your trade accounts in a current status and/or fail to seek to promptly resolve any disputes with trade suppliers</p> <p>e. You engage in any business, or market any product or service, under a name or mark which, in our opinion, is confusingly similar to the Proprietary Marks.</p> <p>f. You do not pay any taxes on your Business when due.</p> <p>g. You do not use the Proprietary Marks and/or trade dress solely in the manner and for the purposes we direct.</p> <p>h. You violate the restrictions relating to advertising or do not participate in the programs related to advertising and sales promotion.</p> <p>i. You do not indemnify us.</p> <p>j. You permit a continued violation in connection with the operation of the franchised Business of any law, ordinance, rule or regulation, in the absence of a good faith dispute.</p> <p>k. You fail to obtain or maintain a required, permit, certificate or other governmental approval.</p> <p>l. You employ an individual who is not legally eligible for employment in the United States.</p> <p>m. You fail to operate your GolfCave Business during the days and hours specified in our Brand Standards without our advance written approval.</p> <p>n. You default under any agreement between you and the landlord of your Store Location and do not cure within the time provided in the lease.</p> <p>o. You fail to maintain and operate your Store in a good, clean and sound manner, in strict compliance with our standards.</p> <p>p. You do not engage and have us train a successor or replacement General Manager.</p>

Provision	Section in Franchise Agreement	Summary
		<p>q. You fail to implement (and, at your expense, take all steps necessary to implement and thereafter adhere to any new or changed System requirements.</p> <p>r. A final judgment not subject to appeal is entered against you or any Guarantor and remains unsatisfied for more than 30 days or, if any such judgment is subject to appeal.</p> <p>s. You do not comply with any other lawful provision or requirement of the Franchise Agreement or any specification, standard or operating procedure we prescribe.</p>
h. "Cause" defined - non-curable defaults	Sections 6.01(B), 17.01 and 17.02	<p>Automatic, without notice: bankruptcy, insolvency, receivership, dissolution or levy. On notice to you:</p> <p>a. You fail to sign a lease for (or own) a Store Location approved by us within <u>six (6)</u> months after signing the Franchise Agreement; or, you fail to open the franchised Business within 15 months following our signing of the Franchise Agreement or cease to operate the Business, abandon the franchise, or, fail to operate your Business for three consecutive days during which you are required to operate, unless due to causes beyond your control.</p> <p>b. You omitted or misrepresented a material fact in information you furnished us in connection with our decision to sign the Franchise Agreement.</p> <p>c. You and we agree in writing to terminate.</p> <p>d. You do not secure a Store Location within the required time limits and procedures.</p> <p>e. You lose the right to possess the Store Location.</p> <p>f. You, your General Manager and/or if you are a business entity, any owner, member, shareholder, director or manager of yours is convicted of a felony, etc.</p> <p>g. You make an unauthorized transfer of any rights under the Franchise Agreement.</p> <p>h. You do not comply with the in-term covenant not to compete, or obtain the required additional covenants, or you violate the restrictions pertaining to the use of Confidential Information.</p> <p>i. Before you open, we determine that you or your General Manager failed to attend or successfully complete the Initial Training Program (after being afforded the opportunity to obtain remedial training).</p> <p>j. You knowingly conceal revenues, knowingly maintain false books or records, or submit any substantially false report to us.</p> <p>k. You do not maintain the required financial records.</p> <p>l. An audit shows that you understated your Gross Revenues by 8% or more for any month or for the entire period of examination.</p> <p>m. You refuse us permission to inspect or audit.</p> <p>n. You take any funds withheld from your employees' wages which should have been set aside for the franchised Business' employee taxes, FICA, insurance or benefits; wrongfully take our property; systemically fail to deal fairly with your employees, customers or suppliers; or knowingly permit or, having discovered the facts, fail to take any action against or to discharge any agent, servant or employee who has embezzled.</p> <p>o. After curing a default which is subject to cure, you commit the same act of default again within six (6) months.</p> <p>p. You make a willful misrepresentation or do not make a material disclosure required by any governmental authority regarding any matter involving your franchised Business and Store.</p> <p>q. You interfere or attempt to interfere with our contractual relations with others.</p> <p>r. You do not cure a default which materially impairs the goodwill associated with our Proprietary Marks after at least 72 hours' written notice to cure.</p> <p>s. You fail for fifteen days after notice to comply with any law or regulation applicable to the Business.</p> <p>t. You repeatedly fail to comply with one or more requirements of this Franchise Agreement, whether or not corrected after notice.</p> <p>u. You do not devote the amount of your time and attention and/or your best efforts to the performance of your duties necessary for the proper and effective operation of your franchised Business.</p> <p>v. You do not immediately repay us or our affiliates for any amounts we advance on your behalf.</p> <p>w. You do not purchase or maintain required insurance.</p>

Provision	Section in Franchise Agreement	Summary
		<p>x. You, your franchised Business and/or your franchised Store commit any violation of law, rule or regulation and/or engage in any act or practice which subjects you and/or us to widespread publicity or ridicule.</p> <p>y. You breach advertising standards and fail to cure within three days following written notice.</p> <p>z. You purchase any proprietary products or services or purchase any non-proprietary goods or services under a systemwide supply contract we negotiate, and you use, sell or otherwise exploit them for the benefit of any other individual, entity or business.</p> <p>aa. You operate your franchised Business and/or your GolfCave Store in a fashion that, in our sole judgment, in any way jeopardizes the life, health or safety of the general public, your customers and/or your employees. If you do so, then not only may we terminate the Franchise Agreement upon notice, but we may direct you to immediately close your GolfCave Store (s); you must immediately comply with our direction; and, you must hold us harmless from and against any claims relating to our direction to close your Store(s).</p> <p>bb. You fail to immediately endorse and tender to us any payment which is due us or our affiliates but is made to your order.</p> <p>cc. You use our Confidential Information and/or Proprietary Marks in a way not specifically authorized, or for the benefit of any individual or entity other than your franchised Business.</p> <p>dd. You interfere or attempt to interfere with our ability or right to franchise or license others to use the System and/or Proprietary Marks</p> <p>ee. You interfere or attempt to interfere with our relationships with any other franchisee, supplier, government authority, or other third party.</p> <p>ff. You or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation.</p> <p>gg. You (or any of your owners) fail to cure within the applicable time period any breaches under the Franchise Agreement, or any other agreement between you (or any of your affiliates) and us (or any of our affiliates) including, but not limited to, any other franchise agreement, area development agreement, lease or promissory note.</p> <p>hh. You engage in any act or conduct, or fail to engage in any act or conduct, which under the Franchise Agreement specifically authorizes us to terminate the Franchise Agreement immediately upon notice to you.</p>
i. Your obligations on termination / nonrenewal	Article 18	<p>a. Pay all money owing to us or our affiliates, and third parties, including any landlord, suppliers, employees, taxing authorities, advertising agencies, lenders, or customers.</p> <p>b. Stop using our Proprietary Marks, Confidential Information, trade secrets and Brand Standards.</p> <p>c. Cancel assumed name or equivalent registration which contains "GOLFCAVE", or any other Proprietary Marks of ours, or any variant, within fifteen days.</p> <p>d. If we terminate the Franchise Agreement for your default or you terminate through failure to make payment following notice to cure (see section d. above), pay us all expenses and damages incurred as a result of your default or termination. Damages may include, for example, lost profits, lost opportunities, damage to our Proprietary Marks and reputation, travel and personnel costs and the cost of securing a new Business in the area.</p> <p>e. If we request, assign us your interest in the Store Location lease and vacate promptly.</p> <p>f. Immediately deliver to us all confidential information, Brand Standards, manuals, computer software and database material, customer lists, records and files, forms, advertising and promotional material, signs and related items which bear our Proprietary Marks.</p> <p>g. Immediately sign agreements necessary for termination.</p> <p>h. Stop using the telephone numbers listed in directories under the name "GOLFCAVE " or any confusingly similar name.</p> <p>i. Strictly comply with the post-termination/post-expiration covenants not to compete.</p> <p>j. Continue to abide by restrictions on the use of our Confidential Information, trade secrets and know-how.</p>

Provision	Section in Franchise Agreement	Summary
		<p>k. Immediately refrain from engaging in any contacts with customers, suppliers, employees and all vendors of the GolfCave Business.</p> <p>l. Immediately surrender to us all computer software, data storage disks or tapes and other electronic media used in the operation of the franchised Business, printouts, and other information pertaining to computer operations, codes, procedures and programming.</p> <p>m. If we request, assign us your interest in the Store Lease and vacate promptly.</p> <p>n. In fifteen days, arrange with us for an inventory of personal property, fixtures, equipment, inventory and supplies. We have option for thirty days to buy these at fair market value.</p> <p>o. If we choose not to take over the Store, redecorate and remodel it to deidentify it. If we terminate for cause, we can take possession of the Business. If you dispute the termination, then we can operate the Business until the final court determination. If the court decides the termination was not valid, we must make a complete accounting for the period when we operated the Business</p>
j. Assignment of contract by us	Section 14.01	<p>We will have the right to assign if the assignee is financially responsible and economically capable of performing our obligations under the Franchise Agreement, and agrees to perform these obligations. We may sell our assets, Proprietary Marks, or System; go public, etc. (see Franchise Agreement)</p> <p>We have the right to delegate the performance of any portion or all of our obligations under the Franchise Agreement to third party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations.</p>
k. "Transfer" by you – definition	Section 14.02	Any assignment, transfer, subfranchising, sublicensing, sale, redemption or division of Agreement, franchised Business, Store, any interest in them or a business entity franchisee.
l. Our approval of transfer by you	Section 14.02, 14.03	No transfer without our consent except as provided in Franchise Agreement (for example, transfer to a business entity you form for convenience, if you first obtain our prior written consent, which we will not unreasonably withhold in such an instance if the conditions stated in the Franchise Agreement are met).
m. Conditions for our approval of transfer	Section 14.04	<p>a. The person to whom you propose to transfer (the "transferee") must apply to us for acceptance.</p> <p>b. Transferee must come to personal interview, or we may meet with transferee at his, her or its business or residence, and if we do you must reimburse us for our travel, lodging, meal and personal expenses.</p> <p>c. Transferee (or, if a business entity, the principals of the proposed transferee) must demonstrate the skills, qualifications, ethics, moral values and economic resources necessary, in our reasonable judgment, to conduct the Business and to fulfill obligations to you.</p> <p>d. Transferee and his/her/its proposed General Manager must attend and successfully complete Initial Training Program before assignment (and other training if we wish), at transferee's expense.</p> <p>e. The landlord of the Store Location must consent in writing to the assignment of lease.</p> <p>f. You must have cured any existing defaults, fully comply with all obligations to us and satisfy your outstanding monetary obligations to third parties.</p> <p>g. Transferee must sign new Franchise Agreement (but need not pay another Initial Franchise Fee). The term of the new Franchise Agreement will be the balance of your Franchise Agreement.</p> <p>h. Transferee must have acquired, or will be able to immediately acquire following the signing of the new Franchise Agreement, all permits, licenses and other authorizations legally necessary to operate Business.</p> <p>i. The Total Sales Price may not be so excessive, in our determination, that it jeopardizes the continued economic viability and future operations of the franchised Business and/or the transferee. See Franchise Agreement for definition of "Total Sales Price."</p>

Provision	Section in Franchise Agreement	Summary
		<p>j. If transferee is a business entity, owners must sign guarantees and confidentiality/non-competition agreements.</p> <p>k. You and your owners must sign a general release (subject to state law).</p> <p>l. If the transferee is a business entity, all of the requirements of its new Franchise Agreement concerning business entities must be complied with before we sign the new Franchise Agreement and must continue to be complied with.</p> <p>m. You must give us copies of the proposed assignment contract and signed assignment contract.</p> <p>n. The transferee, at its expense, must upgrade your franchised GolfCave Store to conform with then-current standards and specifications within the time we reasonably specify.</p> <p>o. You must correct any existing deficiencies of the Store of which we have notified you.</p> <p>o. You must pay us a transfer fee equal to two-thirds (2/3) of our then-current initial franchise fee we charge with respect to similarly situated franchised Stores.</p>
n. Our right of first refusal to purchase your business	Section 14.06	We can match any offer for your Business. If we exercise our right of first refusal, you and your selling owner(s) agree that, for two years beginning on the closing date, you and they will be bound by the non-competition covenant contained in Section 13.02 of the Franchise Agreement. We have the unrestricted right to assign this right of first refusal to a third party, who then will have the same rights described here.
o. Our option to purchase your business	Section 20.01	We have the option to buy your franchised Business's assets upon termination or expiration.
p. Your death or disability	Section 15.05	On your death or disability your rights pass to your "Estate". Your Estate may continue operating the Business if it provides an acceptable Managing Owner and has one or more approved General Manager in place for the Store. The Estate shall have a reasonable period of time (not to exceed six months following the death or disability to sell (as applicable) Franchisee or the franchised Business in accordance with the provisions of Section 15.04 (conditions for our approval of transfer) of the Franchise Agreement, and subject to our right of first refusal to purchase the business under Section 15.06 of the Franchise Agreement. This Operating Principal must successfully complete our next Initial Training Program and assume full-time operation of the franchise within one (1) month of your death or disability. The Estate must pay us a \$1,000 administrative fee. From the date of your death or disability until an approved Managing Owner and General Manager assume full time control, we can operate your Business, but need not do so. See Item 6. Or, the Estate may sell the franchise in accordance with the requirements described in m. above. This provision is subject to state law.
q. Non-competition covenants during the term of the franchise	Section 12.02	No involvement in competing business anywhere in U.S. Prohibition on franchisee employing or soliciting for employment any current or former employee of franchisor or its affiliates (also known as a no-poach/non-solicitation provision). Subject to state law.
r. Non-competition covenants after the franchise is terminated or expires	Section 12.02	No competing business for two years within your Store Location, within thirty (30) miles of the perimeter of your Store Location, or within thirty (30) miles of the perimeter of (or within) any GolfCave Store Location. Prohibition for two years on franchisee employing or soliciting for employment any current or former employee of franchisor or its affiliates (also known as a no-poach/non-solicitation provision). Subject to state law.
s. Modification of the agreement	Sections 7.01, 27.01	No oral modifications generally, but we may change the Brand Standards. Any Brand Standards change will not conflict with or materially alter your rights and obligations under the Franchise Agreement.
t. Integration/merger clause	Section 24.01	Only the terms of the Franchise Agreement, the Exhibits to the Franchise Agreement and all agreements signed with it are binding (subject to state law). Any

Provision	Section in Franchise Agreement	Summary
		representations or promises outside of the disclosure document and franchise agreement may not be enforceable. However, nothing in any agreement is intended to disclaim the express representations made in this Franchise Disclosure Document, its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	N/A	No provision for arbitration or mediation.
v. Choice of forum	Section 30.04	Litigation must be at a state or federal district court of competent jurisdiction in the state, county and judicial district in which our principal place of business is then located (which is currently Union County, New Jersey), subject to state law.
w. Choice of law	Section 30.03	New York law applies, subject to state law.

Area Development Agreement

Provisions	Section in Area Development Agreement	Summary
a. Length of the franchise Term	Section 4.01	Term is from date we sign agreement until the earlier of either the actual date of execution of the last Franchise Agreement scheduled to be signed under the Area Development Agreement or the last Date of Execution of Lease as specified in Section 6.01 of the agreement.
b. Renewal or extension of the term	Section 4.01	The Area Development Agreement is not renewable.
c. Requirements for you to renew or extend	None	Not Applicable.
d. Termination by you	Section 15.02	a. You may terminate the Area Development Agreement if you and we agree in writing. b. You may terminate the Area Development Agreement on any grounds provided by applicable law.
e. Termination by us without cause	None.	Not applicable.
f. Termination by us with cause	Article 15	The Area Development Agreement describes defaults throughout – please read it carefully. Section 15.05 of the Area Development Agreement contains a cross-default provision, meaning that termination of the Area Development Agreement for an uncured or non-curable default may permit us to also terminate the developer's single unit Franchise Agreement(s), or vice versa.
g. "Cause" defined - defaults which can be cured	Section 15.03	Except for defaults described in h. below, you have fifteen days to cure any default under the Area Development Agreement. Section 15.05 of the Area Development Agreement contains a cross-default provision, meaning that termination of the Area Development Agreement for an uncured or non-curable default may permit us to also terminate the developer's single unit Franchise Agreement(s), or vice versa.
h. "Cause" defined - non-curable defaults	Section 15.01 and 15.02	Automatic, without notice: bankruptcy, insolvency, receivership, dissolution or levy. On notice to you: a. You omitted or misrepresented a material fact in information you furnished us in connection with our decision to sign the Area Development Agreement. b. We and you agree in writing to terminate the Area Development Agreement. c. You, any of your Principals, and/or, if you are a business entity, any owner, member, shareholder, director or manager is convicted of a felony, etc. d. You make an unauthorized transfer. e. You do not comply with the covenant not to compete during the term of the Area Development Agreement; violate restrictions pertaining to the use of Confidential

Provisions	Section in Area Development Agreement	Summary
		<p>Information contained in the Area Development Agreement; or, do not obtain the signing of the additional covenants required by the Area Development Agreement.</p> <p>f. You make a willful misrepresentation or do not make a material disclosure required by any governmental authority.</p> <p>g. You use or duplicate any aspect of our System, services, programs or products in an unauthorized fashion.</p> <p>h. You engage in any business or market any service or product under a name or mark which, in our opinion, is confusingly similar to our Proprietary Marks.</p> <p>i. You engage in conduct which reflects materially and unfavorably upon the operation and reputation of the Businesses, us or the GolfCave System.</p>
i. Your obligations on termination/nonrenewal	Section 16.01	<p>Termination upon your breach of the development obligations.</p> <p>a. Pay all money owing to us or our affiliates, and third parties.</p> <p>b. If we terminate the Area Development Agreement for your default, pay us all expenses, including attorney's and expert's fees.</p> <p>c. Immediately sign all agreements necessary for termination.</p> <p>d. Strictly comply with the post-termination/post-expiration covenants not to compete</p> <p>e. Continue to abide by restrictions on the use of our Confidential Information.</p> <p>Termination of the Area Development Agreement for your failure to comply with the Development Schedule will not terminate any of the Franchise Agreements you already signed with us, so long as you have opened the Businesses covered by the signed Franchise Agreements and you are not in default of the Franchise Agreements.</p>
j. Assignment of contract by us	Section 12.01	<p>We will have the right to assign the Area Development Agreement if the assignee is financially responsible and economically capable of performing our obligations under the Area Development Agreement, and agrees to perform these obligations. We may sell our assets, Proprietary Marks, or System; go public, etc. (see Area Development Agreement).</p>
k. "Transfer" by you – definition	Section 12.02	<p>Any assignment, sale, transfer, shared, reconsidering, subfranchising or dividing, voluntarily or involuntarily, of the Area Development Agreement, the franchised Business, the Store, or any interest in the franchised Business, the Store or a Business Entity Franchisee (including any capital stock, membership, partnership or proprietary interest of you or anyone who controls you).</p>
l. Our approval of transfer by you	Section 12.02, 12.03 and 12.04	<p>No transfer without our consent except as provided in Area Development Agreement (for example, transfer to a business entity you form for convenience.).</p>
m. Conditions for our approval of transfer	Sections 12.03 and 12.04	<p>See l., above.</p>
n. Our right of first refusal to purchase your business	None	<p>Not applicable.</p>
o. Our option to purchase your business	None	<p>Not applicable</p>
p. Your death or disability	Section 12.04	<p>On your death or disability (if you are an individual), or the death or disability of your last surviving owner (if you are a business entity), that person's rights pass to his or her "Estate". The Estate may continue operating the Business if it provides an acceptable Area Manager. This Area Manager must assume full time operation of the franchise within ninety days of death or disability.</p>
q. Non-competition covenants during the term of the franchise	Section 11.01	<p>No involvement in competing business anywhere.</p>
r. Non-competition covenants after the franchise is terminated or expires	Section 11.01	<p>No involvement in competing business for two years within your Development Territory, within a 30-mile radius of the perimeter of your Development Territory or within a 30-mile radius of the perimeter of (or within) any GolfCave Business Territory (whether company-owned, franchised or otherwise established and operated).</p>

Provisions	Section in Area Development Agreement	Summary
s. Modification of the agreement	Section 18.05	No oral modifications.
t. Integration/merger clause	Section 18.05	Only the terms of the Area Development Agreement, the Exhibits to the Area Development Agreement and all agreements signed with it are enforceable (subject to state law). Any representations or promises outside of the Disclosure Document and franchise agreement may not be enforceable. However, nothing in any agreement is intended to disclaim the express representations made in this Franchise Disclosure Document, its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	None	Not applicable.
v. Choice of forum	Sections 18.13 and 13.03	Litigation must be in the place where our principal place of business is located (currently Union County, New Jersey), except that we may bring an action for an injunction in any court with jurisdiction (see Area Development Agreement). (Subject to state law).
w. Choice of law	Section 18.12	New York law applies. Your state law may supersede this provision and it may not be enforceable in your state. (Subject to state law).

See the state addenda to the Franchise Agreement and Area Development Agreement, respectively, and disclosure document for special state disclosures.

ITEM 18 PUBLIC FIGURES

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

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

2023, 2022, 2021 and 2020 Gross Sales by Company-Owned Stores

The following table shows calendar years 2023, 2022, 2021, and 2020 unaudited Gross Sales (as defined below) information for two (Eatontown, New Jersey and Green Brook, New Jersey) of the three GolfCave company-owned Stores, each of which are wholly owned by our affiliates. The source of the data is the records of these company-owned Stores kept in Quickbooks. The Gross Sales for our third company-owned Store (Clark, New Jersey) is ~~not only~~ presented for the year 2023 here because it had fewer than four (4) Caves (golf simulator rooms) before 2023 and therefore would not be a fair representation of a GolfCave Store for which franchises are being offered. ~~It is substantially smaller and not substantially similar to the other outlets.~~ (As stated in Item 1, there will typically be 4 – 7 Caves in one franchised Store.) It was substantially smaller to the other outlets before the beginning of 2023 (when it went from 3 Caves to 6 Caves) and not substantially similar to the other outlets before 2023.

Location	<u>Clark, NJ</u>	<u>Eatontown, NJ</u>	<u>Green Brook, NJ</u>
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Number of Caves (-Golf Simulators-) per Store	3 6	5	6
Store Location Size (square feet)	2990 5,015	4750 4,750	5720 5,720
Date the Store Opened	12/2012	2/2017	12/2020
<u>2023 Gross Sales per Store</u>	<u>\$803,286</u>	<u>\$740,635</u>	<u>\$713,733</u>
2022 Gross Sales per Store	-	\$785,027	\$644,067
2021 Gross Sales per Store	-	\$747,066	\$505,206
2020 Gross Sales per Store	-	\$610,714	\$40,436

GolfCave Company-Owned Stores – Eatontown, NJ and Green Brook, NJ

Profit and Loss

January through December ~~2022~~2023

The following table shows unaudited, actual profit and loss figures for the period from January through December ~~2022~~2023 for two (Eatontown, New Jersey and Green Brook, New Jersey) of the three GolfCave company-owned Stores, each of which are wholly owned by our affiliates. The source of the data is the records of these company-owned Stores kept in Quickbooks. The profit and loss figures for our third company-owned Store (Clark, New Jersey) are not presented here because that Store did not operate with at least four (4) Caves (golf simulator rooms) for all of 2022 and therefore would not be a fair representation of a GolfCave Store for which franchises are being offered. It is substantially smaller and not substantially similar to the other outlets. (As stated in Item 1, there will typically be 4 – 7 Caves in one franchised Store.)

<u>GolfCave Company-Owned Stores – Eatontown, NJ and Green Brook, NJ</u>			
<u>Profit and Loss</u>			
<u>January through December 2023</u>			
	Clark, NJ	Eatontown, NJ	Green Brook, NJ
-			
Gross Sales in 2023	<u>\$803,286</u>	<u>\$785,027</u> <u>\$740,635</u>	<u>\$644,067</u> <u>\$713,733</u>
Expenses: <u>OPERATIONAL EXPENSES:</u>			
<u>Rent or Lease the Store Premises Expense</u>	<u>-\$82,073</u>	<u>\$66,398</u> <u>607</u>	<u>\$133,860</u> <u>\$131,182</u>
Wages (Wages equal ranger payroll costs. Manager salaries were not incurred by Eatontown and Green Brook but may be incurred by a franchised Store) <u>Payroll Expenses (personnel working for the outlet)</u>	<u>-\$100,496</u>	<u>\$73,263</u> <u>89,04</u> <u>4</u>	<u>\$70,148</u> <u>\$93,383</u>
<u>Credit Card Fees</u>	<u>\$26,204</u>	<u>\$20,790</u>	<u>\$20,677</u>
Insurance -- Liability	<u>-\$29,549</u>	<u>\$21,712</u> <u>18,66</u> <u>7</u>	<u>\$17,668</u> <u>\$18,667</u>
<u>Credit Card Fees</u> <u>Utilities</u>	<u>-\$21,627</u>	<u>\$21,159</u> <u>12,98</u> <u>5</u>	<u>\$16,696</u> <u>\$17,111</u>
<u>Total</u> Repair & Maintenance	<u>-\$11,096</u>	<u>\$18,974</u> <u>16,43</u> <u>7</u>	<u>\$16,148</u> <u>\$15,003</u>
Total Utilities	-	\$14,090	\$16,170

<u>System Brand & Technology Fund Contributions:</u> Fund did not yet collect contributions in 2022, but <u>did in 2023 (\$1,000 per month) and</u> will in the future (up to the greater of \$1600/month or 3% of Gross Revenues)	<u>\$12,000</u>	<u>\$12,000</u>	- <u>\$12,000</u>
Other Operational Expenses	<u>\$39,664</u>	\$31,708 <u>36,617</u>	\$34,609 <u>\$36,598</u>
<u>TOTAL OPERATIONAL EXPENSES:</u>	<u>\$322,708</u>	<u>\$273,147</u>	<u>\$344,621</u>
<u>Operating Income</u>	<u>\$480,578</u>	<u>\$467,488</u>	<u>\$369,112</u>
<u>Overhead Expense</u>	<u>\$656,001</u> (This company-owned outlet absorbs certain payroll and expenditures on behalf of the Franchisor. These expenses are not reflective of owning and operating a franchise location.)	<u>\$0</u>	<u>\$0</u>

<u>Other Expenses</u> <u>(see Item 6) that are</u> <u>not incurred by any</u> <u>company-owned</u> <u>Stores but which will</u> <u>be incurred by</u> <u>franchised Stores:</u> <u>Continuing Royalty</u> <u>(108.5% of Gross</u> <u>Sales); Advertising</u> <u>Cooperative (if formed</u> <u>—1-2% of Gross</u> <u>Revenues);</u> <u>occasional potential</u> <u>fees (testing fee to</u> <u>evaluate alternative</u> <u>products you propose;</u> <u>additional initial</u> <u>training for your</u> <u>subsequent trainees;</u> <u>on-site training and</u> <u>assistance; on-going</u> <u>training on new</u> <u>technology; securities</u> <u>offering review fee;</u> <u>management fee on</u> <u>death or disability)</u> <u>(see Item 6);-</u>			
	-\$0	-\$0	-
Total Expenses	-	\$247,304	\$305,300
Net Operating Income		\$537,723,467,	\$338,766
<u>(Loss)</u>	-(-\$175,423)	488	\$369,112

Notes:

1. The above tables are a historical financial performance representation about all of the company-owned outlets in the system, covering the time periods indicated above. As of the date of this Disclosure Document, we have neonly one franchised outletsoutlet that has opened, and it opened early in 2024, so its data is not presented here because it has been open for less than one year. The total number of outlets that existed in the relevant period is three, and the actual financial performance data of each one was used in arriving at the representations above (except for Clark, NJ for which the information was excluded for the reasons explained above).
2. "Gross Sales" means the total revenue derived from the sale of goods or services less sales taxes, discounts, allowances, returns, and inter-Store transfers to reflect actual membership usage (members paying at one Store but using another Store). In terms of Gross Sales, we do not know of any particular characteristics of the included outlets that are likely to differ materially from those of the outlet that may be offered to a prospective franchisee, other than the fact that an existing outlet which has operated for some time will likely have greater local customer recognition and awareness in its area than a brand-new outlet. Also note that the inter-Store transfers to reflect actual membership usage (members paying at one Store but using another Store) will not be imposed upon franchised Stores and only apply to our corporate Stores. Each of the existing outlets reflected in the data above is in a suburban

area in New Jersey, in a zip code with median household income over \$75,000 (according to U.S. Census data, past 12 months, 2020 inflation-adjusted dollars) and has over 15 car parking spaces for the outlet; other types of locations may have different performance.

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

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, GolfCave Franchising LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Russel Wechsler, GolfCave Franchising, LLC, P.O. Box 932, Clark, NJ 07066, 855-995-CAVE (2283), franchise@golfcave.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

**Systemwide Outlet Summary
For Years ~~2020~~2021 to ~~2022~~2023**

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

Table No. 2
Transfers of Franchised Outlets from Franchisees to New Owners (other than the Franchisor)
For Years ~~2020~~2021 to ~~2022~~2023

Column 1 State	Column 2 Year	Column 3 Number of Transfers
All States	2020 2021	0
	2021 2022	0
	2022 2023	0
Total	2020 2021	0
	2021 2022	0
	2022 2023	0

Table No. 3
Status of Franchised Outlets
For Years ~~2020~~2021 to ~~2022~~¹2023*

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
All States	2020 2021	0	0	0	0	0	0	0
	2021 2022	0	0	0	0	0	0	0
	2022 2023	0	0	0	0	0	0	0
Total	2020 2021	0	0	0	0	0	0	0
	2021 2022	0	0	0	0	0	0	0
	2022 2023	0	0	0	0	0	0	0

* If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

Table No. 4
Status of Company-Owned Outlets
For Years ~~2020~~2021 to ~~2022~~²2023*

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacqui red from Franchi see	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchi see	Column 8 Outlets at End of the Year
New Jersey	2020 2021 <u>1</u>	2 3	4 0	0	0	0	3
	2021 2022 <u>2</u>	3	0	0	0	0	3
	2022 2023 <u>3</u>	3	0	0	0	0	3
All other states	2020 2021 <u>1</u>	0	0	0	0	0	0
	2021 2022 <u>2</u>	0	0	0	0	0	0
	2022 2023 <u>3</u>	0	0	0	0	0	0
Total	2020 2021 <u>1</u>	2 3	4 0	0	0	0	3
	2021 2022 <u>2</u>	3	0	0	0	0	3
	2022 2023 <u>3</u>	3	0	0	0	0	3

Table No. 5
Projected Openings as of December 31, ~~2022~~2023

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlet in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlet in the Next Fiscal Year
New Jersey	0 2	3	0

* If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlet in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlet in the Next Fiscal Year
New York	0	4 <u>0</u>	0
Pennsylvania	0	4 <u>0</u>	0
All Other States	0	0	0
Total	0 <u>2</u>	5 <u>3</u>	0

~~We do not yet have any~~The names of all current franchisees. ~~There are no franchisees who signed a Franchise Agreement with us but who had not yet opened~~ and the address and telephone number of each of their ~~Stores~~outlets (if opened) as of the ~~close~~end of our last fiscal year (December 31, 2023) are as follows:

[Phillips Golf LLC \(*outlet had not yet opened as of Dec. 31, 2023, but opened in early 2024\)](#)

[Attn: Jacob Phillips](#)

[477 NJ-10 Unit # 17](#)

[Randolph, NJ 07869](#)

jphillips@golfcave.com

[Furino Golf Enterprises LLC \(*outlet not yet opened as of Dec. 31, 2023\)](#)

[Attn: Larry Furino](#)

[Berkeley Heights, NJ 07922](#)

lfurino@golfcave.com~~end.~~

There are no franchisees who had an outlet terminated, canceled or not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year or have not communicated with us within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

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

ITEM 21 FINANCIAL STATEMENTS

We were formed in May, 2022. Our audited financial statements, [-comprised of the balance sheets as of December 31, 2023 and December 31, 2022, and the related statements of operations and member's equity \(deficit\) and cash flows for the year ended December 31, 2023 and for the period from May 31, 2022 \(inception\) through December 31, 2022](#) and ~~our audited balance sheet as of June 30, 2022~~, are in Exhibit C. Our fiscal year end is December 31. We (the franchisor) have not been in business for three years or more and therefore cannot include all the financial statements required by the Federal Trade Commission's Franchise Rule for the last three fiscal years.

ITEM 22 CONTRACTS

Copies of all proposed agreements regarding the franchise offering are included in Exhibits A and B. These include our Franchise Agreement and all exhibits to it, including the following agreements: Required Provisions for Lease Rider; Option Agreement; Software License Agreement; Confidentiality/Non-Competition Agreement; Sample By-Laws of Regional Advertising Cooperative; Releases; and, Guarantee. These also include our Area Development Agreement and all exhibits to it, which include the following agreements: the first unit Franchise Agreement you and we will sign; Confidentiality / Non-Competition Agreement; and, Guarantee.

ITEM 23 RECEIPTS

You will find copies of a detachable receipt in Exhibit H at the very end of this disclosure document.

[remainder of page intentionally left blank]

EXHIBIT A TO FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT AND RELATED MATERIALS

GOLFCAVE FRANCHISING, LLC
FRANCHISE AGREEMENT

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Kaufmann Gildin & Robbins LLP
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EXHIBITS

- A STORE LOCATION
- B PROPRIETARY MARKS
- C REQUIRED PROVISIONS FOR LEASE RIDER
- D CONFIDENTIALITY/NON-COMPETITION AGREEMENT
- E RESERVED ~~SAMPLE BYLAWS OF REGIONAL ADVERTISING COOPERATIVE~~
- F GUARANTEE
- G GENERAL RELEASE – SUCCESSOR FRANCHISE
- H GENERAL RELEASE - ASSIGNMENT
- I LIST OF FRANCHISEE’S OWNERS
- J FORM OF SOFTWARE LICENSE AGREEMENT

GOLFCAVE FRANCHISING, LLC

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "Agreement") is entered into between GolfCave Franchising, LLC, a New Jersey limited liability company with its principal office at 1 Clarkton Drive, Clark, NJ 07066 ("we," "us," "our" or "Franchisor") and _____ whose principal address is _____ ("you," "your" or "Franchisee"), as of the date signed by us and set forth opposite our signature on this Agreement (the "Effective Date").

1. PURPOSE AND SCOPE OF THIS AGREEMENT

1.01 GolfCave Businesses, System and Proprietary Marks

We and our affiliates have, over a considerable time period and with considerable effort, developed a proprietary system which we may improve, further develop, or otherwise modify from time to time (the "System") for opening and operating businesses (each a "Business") that operate indoor golf facilities (each, a "Store") providing golfers of all skill levels the ability to play or practice on a golf simulator in the privacy of their own "Cave", and related programs, products and services. The System makes use of the trademark, service mark and fictitious business name "GolfCave" and certain other trademarks, service marks, trade names, related emblems, designs, labels, trade dress, signs and symbols, copyrighted materials and other intellectual property (collectively, the "Proprietary Marks"), which we will designate as licensed to you in this Agreement, Exhibit B hereto, our Brand Standards (as described below) and/or otherwise.

From time to time and in our sole discretion and business judgment, we may grant to persons who meet our qualifications, and are willing to undertake the investment and effort, a franchise to own and operate a Store offering the products, services and programs we authorize and using our System. We may improve, further develop or otherwise modify our System from time to time.

You have applied for a franchise to own and operate a Store.

As a franchise owner of a Store, you will comply with this Agreement and all of our then-current standards, specifications and requirements in order to maintain the high and consistent quality that is critical to attracting and keeping customers for Stores.

2. GRANT OF FRANCHISE AND LICENSE

2.01 Grant of Franchise and Licenses

We grant you, and you accept, the right to use the Proprietary Marks and the System, during the Initial Term, in connection with establishing and operating a Business and Store at the Location (as defined in Section 3.01) identified on Exhibit A. You agree to use the Proprietary Marks and System as we may change, improve, modify or further develop them from time to time as provided in this Agreement, and to operate your Business and its Stores only in accordance with the terms and conditions of this Agreement, any related agreements and the Brand Standards. You further agree to honestly and diligently perform your obligations under this Agreement and to use your best efforts to promote the Store. You may not sub-franchise or otherwise grant to any other "Person" (meaning both natural persons and legal entities, including corporations, partnerships, limited liability companies and trusts) any interest in this Agreement or the franchise granted hereby, except as otherwise provided in this Agreement.

3. LOCATION

3.01 Store Location

Your right to operate a Business is restricted to the store location described in Exhibit A (the "Location"). Your Business may establish only one Store within the Location under this Agreement.

3.02 Our Restrictions

Within the Location, neither we nor any affiliate (meaning any individual or entity we control, which controls us, or which is under common control with us, together our "affiliates") will operate or grant a franchise for a GolfCave Store business operated under the Proprietary Marks of the type franchised to you hereunder, or a similar or competitive business, except as provided in Section 3.04 ("Rights We Reserve"). These restrictions will terminate immediately upon the expiration or termination of this Agreement for any reason.

Outside of the Location, we and/or our affiliates reserve the right to operate any number of Businesses, and/or authorize others to operate same, at any location whatsoever, including one or more locations that may be proximate to, but not within, the Location.

3.03 Your Restrictions

Your Business may only offer and sell its programs, products and services in, at and from your Store. Under no circumstance may your Business establish any physical presence outside of your Store at or from which your programs, products or services are sold or furnished. Nor may your business offer or sell its programs, products or services anywhere, through any means or manner other than your Store, including alternative channels of distribution, such as the internet/worldwide web and other forms of electronic commerce; or, any other distribution channel whatsoever except from your franchised Store.

You may only engage in the retail sale of System programs, products and services. You are prohibited from engaging in the wholesale sale or distribution of any System programs, products or services, or the programs, products, equipment, and services which your Business is required or permitted to use or sell under this Agreement, or any component of any of the foregoing which now or in the future constitutes part of the System. "Retail sale" means any sale by you directly to an ultimate consumer. "Wholesale sale or distribution" means any sale or distribution by you to a third party for resale, retail sale, or further distribution. "Component" means any constituent part, element, segment or derivative.

3.04 Rights We Reserve

You understand and agree that we and/or our affiliates may, at any location (except as we are restricted by Section 3.02 of this Agreement), engage in any business activity and deploy any business concept whatsoever and use our Proprietary Marks or any other names or marks owned or developed by us or our affiliates in connection with such other concepts and business activities. You further understand and agree that this Agreement does not confer upon you any right to participate in or benefit from such other concepts or business activities, regardless of whether it is conducted under the Proprietary Marks or not. Our and our affiliates' rights to engage in other business activities are specifically reserved and may not be qualified or diminished in any way by implication. We thus may engage in, or authorize others to engage in, any form of business offering and selling any type of program, product or service except as restricted by Section 3.02 above.

By way of example, we and/or our affiliates may own, operate or authorize others to own or operate any type of business at any location whatsoever, so long as such other business does not sell under the Proprietary Marks the type of programs, products or services which your Business offers and sells (except as permitted below). Further, we and/or our affiliates may own, operate or authorize others to own or operate Businesses at any location outside of your Store Location, including immediately proximate to your Store Location.

In addition, you understand and agree that we and/or our affiliates alone have the right to offer and sell at any location, and under the Proprietary Marks, any and all programs, products or services and/or their components (including those used or sold by your franchised Business), whether or not a part of the System, through any alternative method of distribution including, without limitation, such alternative channels of distribution as the internet/worldwide web; any other form of electronic commerce; online networks; other permanent, temporary or seasonal facilities; or, any other channel of distribution whatsoever except for a Store in your Store's Location.

You also understand and agree that we and/or our affiliates have the right to offer and sell (directly, or through other franchisees or licensees) System programs, products and services at any and all nontraditional locations, including nontraditional locations situated in your Location, through the establishment of Stores, kiosks, mobile units, concessions or “shop in shops”, and that, by contrast, you are precluded from engaging in such activity. “Nontraditional locations” are locations or venues at which access to the general public is restricted and include sports arenas and venues; theatres; resorts; malls; schools and universities; hospitals and healthcare facilities; airports; guest lodging facilities; government facilities; condominium and cooperative complexes; the premises of any third party retailer which is not an indoor golf facility (including shops, stores and department stores); military bases and installations.

You further agree that, both within and outside the Store, we and/or our affiliates alone have the right to sell System programs, products and services to National, Regional and Institutional Accounts. “National, Regional and Institutional Accounts” are organizational or institutional customers whose presence is not confined to your Store, including (by way of example only): government agencies, branches or facilities; guest lodging networks; healthcare networks; the military; and, any other customer whose presence is not confined to your Store but is national, regional or institutional in nature. Only we will have the right to enter into contracts with National, Regional and/or Institutional Accounts. If we receive orders for any GolfCave products or services calling for delivery or performance in your Store as a result of our engaging in commerce with National, Regional and Institutional Accounts, then we will have the right, but not the obligation, either to require you to fulfill such orders at the price we agree on with the customer or to give you the opportunity to fulfill such orders at the price we agree on with the customer. If we give you the opportunity to fulfill such orders and if, for any reason, you do not desire to or cannot serve the customer, or if the customer desires for any or no reason to deal exclusively with us, our affiliate or another franchisee and not with you, then we, our affiliate or any other GolfCave franchisee may serve the customer within your Store, and you will not be entitled to any compensation. The procedures governing our National, Regional and Institutional Accounts program are set forth in our Brand Standards.

For the purposes of this Agreement, an “affiliate” of an individual or entity (such as you or us) is defined to mean any individual or business entity which directly or indirectly is controlled by, controls or is under common control with that person or entity.

4. TERM

4.01 Initial Term

The initial term (“Initial Term”) of this Agreement will begin on the Effective Date and will end on the ten (10) year anniversary of the day you commence the operation of your franchised Business (i.e., open to the public) pursuant to Section 8.01 of this Agreement, unless this Agreement is sooner terminated in accordance with its provisions.

4.02 Successor Term and Successor Agreement

You will have the right to enter into up to two (2) consecutive Successor Franchise Agreements, each featuring a term of five (5) years (a “Successor Term”) if you have complied with the conditions and procedures for a Successor Term specified in Article 14 below. The first Successor Term will begin on the date that the Initial Term expires and each succeeding Successor Term will begin on the date that the previous Successor Term expires. The first successor franchise agreement (the “Successor Franchise Agreement”) will supersede this Agreement and each subsequent Successor Franchise Agreement will supersede the preceding Successor Franchise Agreement. Successor Franchise Agreements may not take the form of this Agreement; but, instead, may each take the form of our then-current franchise agreement and may materially vary from this Agreement in all respects, except that no “initial franchise fee” will apply to you; the boundaries of your Store will remain the same; the limited Successor Term rights identified in this Agreement will be incorporated (as applicable); and, the Continuing Royalty on entering into a Successor Franchise Agreement will not be greater than the Continuing Royalty that we then impose on similarly situated franchisees

entering into successor franchise agreements. The conditions to and procedures governing your right to a Successor Term are set forth below in Article 14.

5. YOUR PAYMENTS TO US

5.01 Initial Franchise Fee

You agree to pay us an Initial Franchise Fee of \$50,000 (Fifty Thousand Dollars). The Initial Franchise Fee is payable in full on the Effective Date of this Agreement; is not refundable; and, will be deemed fully earned when paid solely in consideration of our execution of this Agreement and not in exchange for any particular programs, products, services or assistance.

5.02 Continuing Royalty

You agree to pay us a monthly Continuing Royalty equal to ~~ten percent (10%)~~ eight and one-half percent (8.5%) of your previous month's Gross Revenues, as defined in Section 5.05, due on or before the tenth (10th) day of each month. The Continuing Royalty is solely in consideration of our granting you the franchise conferred by this Agreement and is not in exchange for any particular goods, services or assistance we may furnish you. Notwithstanding the foregoing, we have the right to require payment of the Continuing Royalty on a more frequent basis than monthly, such as weekly or daily, as determined in our business judgment from time to time, upon written notice of such change to you. Payments not made by the due date shall accrue interest in accordance with Section 5.06(D) below.

5.03 System Brand & Technology Contribution

You agree to pay us a monthly System Brand & Technology Contribution equal to a minimum of \$1,000 per month; provided, that we shall have the right throughout the term hereof to require you (upon written notice to you) to contribute, in which case you agree to pay, a higher monthly amount from time to time to be determined by us in our business judgment, but in no event greater than the higher of (a) \$1,600 per month or (b) three percent (3%) of your prior month's Gross Revenues. We may require you to pay the System Brand & Technology Contribution on a more frequent time interval (such as weekly), pro rata, to match the timing of the other periodic fee(s) under this Agreement, in our discretion. These System Brand & Technology Contributions will be expended as provided for in Section 10.01 below. Such payment shall be made to us in the same manner and with the same timing requirements/frequency as the Continuing Royalty. Payments not made by the due date shall accrue interest in accordance with Section 5.06(D) below.

5.04 [Reserved]

5.05 Definition of Gross Revenues

"Gross Revenues" means all revenues and income from any source that you directly or indirectly derive or receive from, through, by or on account of the operation of your franchised Business and/or Store (including, without limitation, income related to special events and revenues and income from any permitted non-indoor golf operations conducted under or using the Marks), whether received in cash, in services, in kind, from barter and/or exchange (valued at the full retail value of the goods or services received), on credit (whether or not you ultimately receive payment on credit transactions), or otherwise. Gross Revenues specifically includes revenues and income you receive from the proceeds of any business interruption insurance policies and/or the sale of any promotional or premium items. For avoidance of doubt: Gross Revenues includes (without limitation) all revenues for any merchandise, equipment, goods, services, or food and drink sold (if any) by your franchised Business.

You may deduct from Gross Revenues, to the extent they had been included in your calculation of Gross Revenues, documented refunds, charge backs, credits and allowances that you give in good faith to customers; proceeds from property damage or liability insurance; and proceeds from any civil forfeiture, condemnation, or seizure by government entities. You may also deduct from Gross Revenues all sales taxes or similar taxes which you legally charge to customers if you add the taxes when you charge the customer; send the tax payments to the appropriate tax authorities when due; furnish us within thirty (30) days of payment an official receipt for the payment of the taxes or any

other evidence that we reasonably consider acceptable; and, state in the monthly report required by Section 5.06 of this Agreement the amount of all these taxes and the payments to which they relate.

We may, from time to time, authorize certain other items to be excluded from Gross Revenues. Any such permission may be revoked or withdrawn at any time in writing by us in our sole discretion.

The following are included within the definition of Gross Revenues except as noted below: All proceeds from the sale of coupons, gift cards or vouchers (even if such coupons, gift cards or vouchers go unused); provided, that at the time such coupons, gift cards or vouchers are redeemed the retail price thereof may be credited against Gross Revenues during the month (or other payment period for Continuing Royalties as applicable from time to time) in which such coupon, gift card or voucher is redeemed for the purpose of determining the amount of Gross Revenues upon which the Continuing Royalty is due. If sales proceeds are not recorded and reported for purposes of the Continuing Royalty at the time the coupon, gift card or voucher is sold, or if such coupons, gift card or vouchers are distributed free of charge, no credit against Gross Revenues is permitted upon redemption of such coupon, gift card or voucher.

5.06 Reporting and Payment

A. You agree to submit a monthly report to us for our receipt on or before the tenth (10th) day of each month. The monthly report will consist of a statement reporting all Gross Revenues for the preceding month and your calculation of the Continuing Royalty and System Brand & Technology Contribution due thereon, all in the manner and form we prescribe. You must manually or electronically sign the monthly report as we direct. We reserve the right to require you to file your monthly reports electronically or through any now or hereafter developed mode of communication and/or data transmission. You also agree to furnish to us any other financial or non-financial data that we request concerning the activity of your Business in the form, manner and frequency that we request it.

B. On or before the tenth (10th) day of each month, you agree to pay us the Continuing Royalty and System Brand & Technology Contribution due for the preceding month, as specified in your monthly report. If we change the frequency of payment periods applicable to the Continuing Royalty, then such payment due date shall automatically be adjusted accordingly.

C. We reserve the right to require the transmission of these and any other payments required under this Agreement by direct account debit, electronic funds transfer or other similar technology now or hereafter developed to accomplish the same purpose. If we require you to make payments by direct account debit, electronic funds transfer or other similar technology we designate, you agree to deposit and maintain at all times sufficient funds to cover all fees and payments you owe to us and our affiliates in a segregated bank account (the "Bank Account") that you form and maintain for the franchised Business and Store. If you fail to properly report the Store's Gross Revenues and any other sales data and/or information we request through this alternative method based on the deadlines described above, we may debit your Bank Account for one hundred twenty percent (120%) of the last Continuing Royalty and System Brand & Technology Contribution that we debited (together with the interest noted in Section 5.06(D) below). If the amounts that we debit from your Bank Account are less than the amounts you actually owe us (once we have determined the Store's true and correct Gross Revenues), we will debit your Bank Account for the balance. If the amounts that we debit from your Bank Account are greater than the amounts you actually owe us, we will credit the excess against the amounts we otherwise would debit from your Bank Account during the following period. The Bank Account must have the capacity to make payments through the means we designate, and you must sign all documents required by your bank, our bank and us or for approval and implementation of the debit or transfer process. If and when we have implemented this requirement, you may not change the Bank Account without our advance written approval. You agree to pay all costs of direct account debit, electronic funds transfer or other similar technology we designate.

D. You agree to pay us or our affiliates interest on any overdue amounts owed to us or our affiliates (under this or any other agreement) at the maximum commercial contract interest rate

permitted by law. If there is no applicable legal maximum rate, interest will be calculated at the rate of 4% above the prime rate of interest identified by Citibank, N.A. in New York City (or any successor to it) on the first day of each month that an amount is past due. This provision does not constitute consent to late payments or an agreement to extend credit. If you are delinquent in any required payment, we or our affiliate may apply any payment from you to any obligation due in whatever order and for whatever purposes as we determine, whether or not there is any contrary designation by you. In the event that you are eligible to receive any payments from us pursuant to an incentive program, we may apply such incentive payments to offset any of your past due indebtedness to us. We may also set-off any amounts you or your owners owe us or our affiliates against any amounts we or our affiliates owe you or your owners. You may not withhold, set-off or recoup payment of any amount due on the grounds of the alleged non-performance or breach of any of our or our affiliates' obligations under this or any other agreement.

E. In addition to all other payments under this Agreement, you agree to pay us or our affiliates immediately upon demand: (a) all sales taxes, trademark license taxes, gross receipts taxes and any other taxes imposed on or required to be collected or paid by us, our affiliates and/or our third party designees (as applicable) (excluding any corporate income taxes imposed on us, our affiliates and/or our third party designees) because we, our affiliates and/or our third party designees (as applicable) have furnished programs or services to you, collected any fee from you, licensed our Proprietary Marks to you and/or entered into this Agreement with you; (b) all amounts we advance, pay or become obligated to pay on your behalf for any reason; and, (c) any amount to reimburse us for costs and commissions paid or due to a collection agency or in connection with our collection efforts; and (d) all amounts you owe us or our affiliates for programs, products or services that you purchase from us or our affiliates.

5.07 Reimbursement for Required Third-Party Software

Before the franchised Business opens, you agree to reimburse us for certain required third-party software that we designate to you and obtain for you before your franchised Business opens (currently, RingCentral for telephone services on a monthly basis, and OpenPath for access control to your Business premises on an annual basis), at the rates set by the applicable vendor(s). You agree to continue to reimburse us, as incurred, for such software which we designate, throughout the term of this Agreement.

6. SITE SELECTION, CONSTRUCTION, TRADE DRESS AND LEASE REQUIREMENTS

6.01 Store Location

A. You may operate your franchised Business only at and from the premises of your Store Location. You may use the Location for no other purpose than the operation of the franchised Business.

B. If you have suggested a Location which we have approved before the execution of this Agreement, then the address of that Location will be set forth on Exhibit A to this Agreement. If you have not suggested a Location which we have approved before the execution of this Agreement, then the following provisions will apply:

We will furnish to you our Store site selection criteria following the execution of this Agreement. You agree to use your best efforts to find an acceptable Location within the Store. You must comply with all our Store specifications, requirements and restrictions. The Location will be subject to our advance written approval, and our determination will be final. We may require you to submit maps, completed checklists, photographs, diagrams of the premises with measurements and other information and materials which we may reasonably require to evaluate your proposed Location.

It is of the essence of this Agreement that you select a Location, identify it to us, obtain our advance written approval and sign a lease approved by us (or provide proof of ownership of the proposed site) for your Location within six (6) months following the date of our execution of this Agreement. If you intend to own the Location, then you agree to furnish to us proof of ownership or an executed contract of sale within thirty (30) days following our approval of the Location. If you do not secure a

Location within the time limits and following the procedures specified in this Section 6.01, then this failure will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure. If we terminate the Agreement for this reason, then all funds you paid us will be considered earned by us.

You understand that any advice we furnish regarding site selection and our proposal, inspection and/or approval of any proposed site for your Location will not constitute, and will not be deemed to constitute, our express or implied representation, warranty, guarantee or any other indication of the prospective profitability, viability or merit of the Location.

6.02 Location Lease

If you will be leasing the Location, then promptly following our written approval of your proposed Location site, you agree to obtain a lease or sublease for the Location which, unless we otherwise approve the lease in advance, must be accompanied by a rider incorporating the requirements specified in Exhibit C to this Agreement. You agree to deliver to us a copy of any proposed lease or sublease and any related documents (collectively, the "Lease") before you execute the Lease. Any Lease will be subject to our advance written approval, which we will not unreasonably withhold or delay, provided, however, that we expressly reserve the right to disapprove any Lease not accompanied by a rider embracing all of the provisions of Exhibit C and whose term is not at least as long as the Initial Term of this Agreement. If we do not communicate our approval or disapproval of a proposed Lease to you within thirty (30) business days following our receipt of the proposed Lease, and if the Lease is accompanied by a rider containing the required provisions of Exhibit C, then the Lease will be considered approved.

You may not, in any Lease, create any obligations or grant any rights against us or our affiliates or agree to any term, condition or covenant which is inconsistent with this Agreement or any related agreement. You also acknowledge and agree that you are bound by the terms, conditions, covenants and obligations of the Lease and that your failure to comply with the Lease will constitute a material breach of this Agreement. You may not assign, transfer or encumber your Lease or sublet all or any part of the Location without our advance written approval.

6.03 Construction of Your Store

After acquiring the Location by lease or purchase, you shall at your expense construct your Store or, if applicable, convert the existing premises at the Location to become your Store, in conformity with the final plans and specifications which we have approved (as provided in Section 6.03). At your expense and prior to commencing construction of your Store, you must obtain all necessary permits, licenses, variances and approvals pertaining to the building, occupancy, signs, utilities, zoning, use, and any other permits, approvals or variances which are necessary to permit the construction and use of a Store as may be required by federal, state and local laws, rules, regulations or ordinances. You shall certify to us in writing that all such permits, licenses, variances and approvals have been obtained.

You must engage a qualified, licensed and bonded general contractor to construct your Store and to complete all improvements. You must obtain and maintain in force during the entire period of construction the insurance required under Section 9.01 of this Agreement. Your indemnification of us, our affiliates and all others specified in Section 8.10 below applies to each and every activity arising from or related to the construction of your Store. You understand that our approval of your final plans for your Store does not render us liable for any defects, neglects, omissions, errors or negligence associated with such plans and shall not in any fashion be construed to diminish or negate your indemnification of us, our affiliates and the others referenced in Section 8.10 below nor render us liable in any fashion or to any extent for any liabilities engendered thereby.

You must use your best efforts to complete the construction or conversion of your Store promptly. You must provide us with comprehensive information regarding all phases of the development process of the Location as we may require, such as weekly progress reports during conversion, in the format we designate. This information will include (without limitation and as applicable) the

names, addresses and telephone numbers of your architect, civil engineer, surveyor, general contractor, subcontractors, principal vendors and environmental consultant, and the primary contact for each; copies of all permits, licenses, contractor's liability insurance certificates and other similar items required for the conversion of your Store; and, copies of all construction or remodeling contracts and documents, along with originals of all lien waivers and copies of all invoices. These requirements will also apply to any construction, remodeling, renovation or refurnishing of your Store at any time after it opens.

We will not be responsible for delays in construction, conversion, remodeling, equipping or decoration or for any loss resulting from your Store's plans that you furnished to us pursuant to Section 6.03 before implementing the changes. You hereby grant us access to your Location while work is in progress. We may require any reasonable modifications of the construction of your Store that we consider necessary or desirable in our reasonable business judgment. If you fail to promptly begin the design, construction, equipping and opening of your Store with due diligence, we may elect to terminate this Agreement immediately upon notice to you. All signs at your Store must conform to our sign criteria, unless you demonstrate good cause and we consent in writing to such non-conformance.

You will notify us of the scheduled date for completion of construction no later than sixty (60) days prior to such date. When construction is complete and before you open your Store, your architect and general contractor must provide us with a certificate stating that the as-built plans for the Store fully comply with the Americans with Disabilities Act (the "ADA"); the architectural guidelines under the ADA; and, all other laws, rules, regulations, codes and ordinances applicable to the Store and the Location, including any requirements set forth in the Lease for the Location.

We will have the right, but not the obligation, to conduct a final inspection of the completed Store before it opens. We may require any corrections and modifications we consider reasonable and necessary to bring the Store into compliance with the plans and specifications we approved. The Store will not be allowed to open if the Store does not conform to the approved plans and specifications, including changes thereto that we may approve.

6.04 Specifications and Sources of Supply

We will provide you with at least one sample layout (based on one or more existing GolfCave Stores, selected in our business judgment) for the interior of a Store, and approved sources of supply of, your Store's furniture, fixtures, equipment, signs and/or other trade dress elements. We may require, in our Brand Standards as modified from time to time, minimum dimensions, power requirements, lighting, safety and layout directions for efficiency of design, for each Store and each Cave. We reserve the right to be (and earn a profit as) an approved source or the only approved source of certain of your Store's furniture, fixtures, equipment and/or other trade dress elements and to earn a profit from such activity. If we have not specified a source of supply for any such item, then you may purchase that item from any source, so long as the items purchased are in strict accordance with any specifications concerning the item which we have issued in the Brand Standards or otherwise. You must obtain our advance written consent before deviating in any fashion from our specifications.

All signs at your Store must conform to our sign criteria, unless we otherwise consent in writing, for good cause you demonstrate.

The sample layout we furnish you will not address the requirements of any federal, state or local law, code or regulation, including those of the ADA or similar laws or rules. You alone, working with your architect or engineer (if applicable), are responsible for ensuring that your Store, as constructed, complies with all applicable laws, rules, regulations, ordinances, building codes, fire codes, permit requirements and the ADA. Further, the sample layout we furnish you will not contain the requirements of, and may not be used for, construction drawings or other documentation necessary to obtain permits or authorizations to build and/or operate a specific Store. You agree, at your expense, to employ architects, designers, engineers or others, all as we may specify, necessary to complete, adapt, modify or substitute the layout, plans and specifications for your Store. We are not

required to provide assistance with conforming your Store premises to local ordinances and building codes, obtaining required permits, and/or constructing, remodeling or decorating the premises.

You must employ a qualified, licensed architect and/or engineer that we specify or, if we do not specify, who is reasonably acceptable to us to prepare preliminary plans and specifications for the site improvement and construction of your Store (which must be based on the sample layout we furnish to you). You must submit a complete set of your proposed final plans and specifications to us and obtain our written approval of them before you seek to register them with any governmental or quasi-governmental agency or begin construction of your franchised Store. Our approval will be based on our assessment of compliance with our standards for new Stores. We will not assess compliance with federal, state or local laws, rules or regulations, including the ADA. Your architect must certify to you in writing that the plans and specifications for your Store comply with the ADA; the architectural guidelines under the ADA; all applicable federal, state and/or local laws, rules and regulations for accessible facilities; and, all other applicable federal, state or local laws, rules and regulations (including building codes, fire codes and permit requirements). You must furnish us with a copy of this certification prior to opening for business.

You agree that any plans and specifications you prepare and submit to us will be irrevocably licensed to us in perpetuity. We, our affiliates and any other franchisees to whom we give these plans and specifications may use them without owing you any compensation or being liable to you in any way.

6.05 Maintaining Your Store

You shall at all times maintain at your sole expense the interior and exterior of your franchised Store and the entire franchised Location and any other facilities used by the franchised Business in first class condition and repair, and in compliance with all applicable laws, rules, regulations and our Brand Standards, except to the extent that we may otherwise expressly agree in writing.

6.06 Remodeling Your Store

We have the right to require you at any time during the Initial Term of this Agreement, at your sole expense, to update, remodel, refurbish, renovate, modify or redesign the Store or the signage thereof, or any particular "Cave" within the Store, so that it reflects our then-current standards (a "Remodel"). Our right to require a Remodel is limited as follows:

- a. The Remodel will not be required in the first two or last two (2) years of the term hereof, other than changes in signage of the Store (and except that a Remodel may be required as a condition to renewal of the term or an Assignment);
- b. A Remodel of any particular Cave, or of the Store as a whole, will not be required more than once every five (5) years from the date on which you were required to complete the prior Remodel; and
- c. If any such direction of ours requires you to expend more than \$10,000 times the number of Caves in your Store (and provided that the \$10,000 per Cave threshold shall be adjusted annually to account for inflation, per the U.S. Consumer Price Index, from January 1, 2022) in order to effect the directed activity, then you will have six (6) months following your receipt of our notice to comply with our direction. In addition, we will relieve you from our direction if in our sole opinion you will be unable to amortize the additional investment required during the balance of the Initial Term of this Agreement; however, under these circumstances, we may extend the term of this Agreement to allow for a new schedule of amortization, and if we do so you will be required to comply with our direction.

6.07 Relocation of Your Store

You may not relocate your Store to another location without first obtaining our written approval for the new location and reimbursing us for any reasonable costs we incur in considering your request. If you relocate the Store with our approval subject to the terms of this Section 6.07, the new location will be the "Location" of the franchised Business. Any relocation will be at your expense. All leases or subleases that you enter into, all plans and specifications for your relocated Store that you adduce

and all construction, remodeling, renovation or other such activity that you perform at and for the relocated Store must be in accordance with all of the provisions of this Article 6 and our then-current standards, specifications and requirements.

6.08 Time Is Of the Essence

Subject to the provisions of Article 20 of this Agreement (“Unavoidable Delay or Failure to Perform [Force Majeure]”), time is of the essence with regard to each and every requirement of this Article 6.

7. OUR DUTIES

7.01 Confidential Operating Brand Standards; Policy Statements

We will lend you one copy of our confidential operating manuals (the “Brand Standards”). The Brand Standards may take the form of one or more of the following: one or more loose leaf or bound volumes; bulletins; notices; videos; CD-ROMS; computer software; other electronic media; online postings; e-mail and/or electronic communications; facsimiles; or, any other now or hereafter developed medium capable of conveying the Brand Standards’ contents.

The Brand Standards will, among other things, set forth our operating systems, procedures, policies, methods, standards, specifications and requirements for operating your franchised Business. You agree to operate your Business in strict compliance with the Brand Standards.

We have the right to prescribe additions to, deletions from or revisions of the Brand Standards (the “Supplements to the Brand Standards”), all of which will be considered a part of the Brand Standards. All references to the Brand Standards in this Agreement will include the Supplements to the Brand Standards. Supplements to the Brand Standards will become binding on you as if originally set forth in the Brand Standards, upon being delivered to you.

You acknowledge that we are the owner of all proprietary rights in the Brand Standards and all intellectual property rights connected therewith (including common law copyright) and that you are acquiring no property or other right to the Brand Standards other than a license to use it and comply with it during the term of this Agreement. You agree to ensure at all times that your copy of the Brand Standards is current and up-to-date. If there is any dispute as to your compliance with the provisions of the Brand Standards and any Supplements to the Brand Standards, the master copy of the Brand Standards and any Supplements to the Brand Standards maintained at our principal office will control.

In addition to the Brand Standards, we may issue policy statements designed to provide you with information and/or insight as to our current thinking about various business issues or strategies. Policy statements are not part of the Brand Standards, are not contracts and do not create any contractual or other binding obligation on either you or us.

7.02 Initial Training Program

After you secure a Store and at least two (2) months before the opening of the franchised Store, you (if the franchisee is an individual), your Managing Owner (as defined in Section 8.07)(if the franchisee is a business entity), and your General Manager (as defined in Section 8.07) must attend and successfully complete an initial training program (the “Initial Training Program”), which we will provide at no additional expense to you (except, as provided below, in instances where you ask us to provide our initial training program for any additional persons beyond an initial three (3) people, or for any replacement personnel). We will determine the date of commencement, location and duration of the Initial Training Program and notify you of them.

If we reasonably conclude in our business judgment that either you (if an individual), your Managing Owner (if the franchisee is a business entity), or your General Manager has failed to attend or successfully complete our Initial Training Program to our satisfaction in our business judgment, then that person may re-enroll in our next scheduled Initial Training Program at no additional charge. We will have the right to terminate this Agreement if, following your Initial Training Program (including

re-enrollment training), we determine that you and/or your Managing Owner and/or your General Manager has failed to attend or successfully complete our Initial Training Program to our satisfaction, in our business judgment. This failure will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure. If we terminate the Agreement for this reason, then all funds you paid us will be considered earned by us.

You must pay an additional charge to us for providing the Initial Training Program to additional or replacement personnel. This charge will be no greater than \$500 per trainee per day. This training is required of replacement Managing Owners or General Managers.

We reserve the right at all of our training programs to determine the duration of such programs, what subjects are included in the curriculum of our training programs and to train any number of individuals from any number of Businesses, whether franchised or otherwise affiliated with us, at the same time. Under no circumstance will you be compensated for any work your trainees may perform or services your trainees may render in the course of participating in any of our training programs. We reserve the right to furnish our training programs by means of a company intranet or other electronic means of communication (such as web-based tutorials, video streaming, or through other now or hereafter developed media), in our business judgment.

At all times during the term of this Agreement, you agree to pay all the expenses incurred by your trainees or attendees in connection with any training, conferences, conventions or other meetings they attend, including, but not limited to, their salaries, transportation costs, meals, lodging and other living expenses.

7.03 On-Site Training or Assistance

After any opening assistance we provide, you may request on-site training or assistance at any time in accordance with guidelines we may specify in the Brand Standards or otherwise. We will not be obligated to provide on-site training or assistance, but if we elect to do so, we may impose a fee of up to \$1,500 (one thousand five hundred dollars) for each day of on-site training or assistance we agree to provide. The timing of all advice, consultation and training provided for in this Agreement will be subject to the availability of our personnel and will be only on weekdays unless we expressly agree otherwise in our sole discretion and business judgment.

7.04 On-Going Training

We may (but are not required to) provide a quarterly, mandatory update meeting, conducted virtually via internet, which you (if an individual), your Managing Owner (if a business entity) and your General Manager must attend, at the dates and times we specify. We may charge attendance fees of up to \$500 per person training for such programs if they include instruction on how to use new technology in your Business.

We will provide you with constant access to our virtual training library, including training videos and related media, some or all of which may be proprietary, and all of which you must keep confidential and not share with others.

We may from time to time develop additional training programs which you (if an individual), your Managing Owner (if a business entity) and your General Manager must attend and successfully complete. We will determine the duration, curriculum and location of these future additional training programs. We reserve the right to furnish such programs by means of a company intranet or other electronic means of communication (such as web based tutorials, video streaming, or through other now or hereafter developed media). We will not charge training fees for such programs. You also agree to pay all of the expenses incurred by your trainees or attendees in connection with any additional training programs we develop, including their salaries, travel costs, meals, lodging and other living expenses (if applicable).

In addition, we may from time to time conduct an annual conference, convention or training session. We will determine the duration, curriculum and location of these. You (if an individual) and your

General Manager must attend each annual conference, convention or training session at your sole expense (including travel, lodging, food and other living expenses).

7.05 Field Support Services

We may from time to time offer you field support services, supervision and/or assistance that we consider advisable through on-site visits, off-site sessions, telephonic, electronic or other communication modes. You may also at any time communicate with our headquarters for consultation and guidance with respect to the operation and management of your Business. The timing of our field support and headquarter consultation services will be subject to the availability of our personnel.

7.06 Accounting, MIS and POS Systems

We may, but need not specify the electronic and/or written accounting and management information system ("MIS"), procedures, formats and reporting requirements which you will utilize to account for your franchised Business; maintain your financial records and Store data; and, generate reports for both you and us. In addition to operating reports, payroll, cash management and general ledger accounts, these systems may be tailored to provide computerized point-of-sale ("POS") scanning and invoice entry and/or automated "smart phone" (or other) customer purchase tracking/payment transactions. You will be solely responsible for performing all bookkeeping, recordkeeping and accounting duties prescribed under this Agreement or in the Brand Standards and for bearing the costs of these activities.

We may elect to require that you use and contribute to a centralized customer scheduling and information database that we designate from time to time.

7.07 Pricing

Because enhancing GolfCave's interbrand competitive position and consumer acceptance for GolfCave's programs, products and services is a paramount goal of us and our franchisees, and because this objective is consistent with the long-term interest of the System overall, we may exercise rights with respect to the pricing of Store programs, products and services to the fullest extent permitted by then-applicable law. These rights may include (without limitation) prescribing the maximum and/or minimum prices which you may charge for the foregoing; recommending prices; advertising specific prices for some or all of the foregoing, which prices you will be compelled to observe (colloquially referred to as "price point advertising campaigns"); engaging in marketing, promotional and related campaigns which you must participate in and which may directly or indirectly impact your prices (such as "buy one, get one free"); and, otherwise mandating, directly or indirectly, the maximum and/or minimum prices which you may charge. We may engage in any such activity either periodically or throughout the Term of this Agreement. Further, we may, in our discretion, engage in such activity only in certain geographic areas (cities, states, regions) and not others; with respect to certain types of Stores but not others; or, with regard to certain subsets of franchisees and not others. You understand that any maximum, minimum or other prices we prescribe or suggest may or may not optimize the revenues or profitability of your franchised Business. However, subject to the terms and conditions of this Section 7.07, nothing in this Agreement may be construed to prevent you from otherwise freely establishing your own prices.

7.08 Nature of Obligations

All our obligations under this Agreement are to you alone. No other party is entitled to rely on, enforce or obtain relief for breach of any of our obligations hereunder, either directly or by subrogation.

8. YOUR DUTIES

8.01 Opening Date

You must fulfill all of your pre-opening obligations set forth in this Agreement, the Brand Standards and in other written notices from us, and open your franchised Business to the general public no later than fifteen (15) months following the Effective Date. Time is of the essence. If you fail to comply with any of such obligations, we will have the right to prohibit the Store from opening.

You will not be allowed to open your Store without our written approval, which we will not unreasonably withhold. In order to obtain our approval to open, you must: obtain all required state, local and other required government certifications, permits and licenses, furnish to us copies of all such required permits and licenses; furnish to us copies of all insurance policies required under this Agreement; attend and successfully complete our Initial Training Program to our satisfaction (as provided in this Agreement); pay us or our affiliates any amounts due through the date that you request our approval to open; not be in default under any agreement with us or any affiliate of ours; not be in default under, but instead be current with, all contracts or agreements with your principal vendors, suppliers and other business creditors (including the lessor or sublessor of your Location, us and our affiliates); and, otherwise comply in all respects with the pre-opening obligations set forth in this Agreement, the Brand Standards or other written notices we may furnish to you. In addition to the foregoing, you must submit to us a request to open your Store. Once we receive your request, we will notify you in writing whether or not the Store meets our standards and specifications. If we approve your request to open your Store, our acceptance is not a representation or warranty, express or implied, that the Store complies with any engineering, licensing, environmental, labor, health, building, fire, sanitation, occupational, landlord's, insurance, safety, tax, governmental, or other statutes, rules, regulations, requirements, or recommendations nor a waiver of our right to require continuing compliance with our requirements, standards, or policies.

You must send us a written notice of the actual opening date (the "Opening Date") of the Store franchised hereunder concurrent with such opening.

8.02 Manner of Operation

Your franchised Business and the Store it operates must comply at all times with every provision of this Agreement, the System and the Brand Standards. You may not use the System or the Proprietary Marks for the benefit of any business other than the franchised Business. You may not conduct (or permit anyone else to conduct) any business at your Store other than the franchised Business embraced by this Agreement without first obtaining our written consent, which we may withhold for any reason or no reason. You acknowledge, understand and agree that your strict compliance with the System, this Agreement and the Brand Standards are of the essence to this Agreement and are critically important to you, us and all other franchisees, since your failure to adhere to the System, this Agreement and/or the Brand Standards may damage the reputation and goodwill enjoyed by GolfCave's network and the Proprietary Marks.

To the extent that we have furnished to you, or otherwise permitted you to inspect, the Brand Standards prior to your execution of this Agreement, you hereby irrevocably affirm and attest that you have reviewed our Brand Standards in detail and in its entirety; that the Brand Standards are commercially reasonable in all respects; and, that the Brand Standards do not in any fashion exceed our ability to promulgate requirements in same under this Agreement.

8.03 Modifications to the System

In the exercise of our sole business judgment, we may from time to time modify any components of the System and requirements applicable to you by means of Supplements to the Brand Standards or otherwise, including, but not limited to, altering the programs, products, services, methods, standards, accounting and computer systems, forms, policies and procedures of the System; adding to, deleting from or modifying the programs, products and services which your franchised Business is authorized and required to offer; altering System policies, procedures, methods and requirements; modifying or substituting required equipment, technology, signs, trade dress and other Business characteristics that you will be required to adhere to (subject to the limitations set forth in this Agreement); requirements pertaining to capturing and relaying to us customer information and data; and, changing, improving, modifying or substituting one or more of the Proprietary Marks. You agree to implement any such System modifications as if they were part of the System at the time you signed this Agreement. You also understand and agree that such modifications may obligate you to invest additional capital or incur higher operating costs.

You acknowledge that because uniformity under many varying conditions may not be possible or practical, we reserve the right to materially vary our standards or franchise agreement terms for any particular franchised Business, based on the timing of the grant of the franchise, the peculiarities of the particular market area or circumstances, business potential, population, existing business practices, other non-arbitrary distinctions or any other condition which we consider important to the successful operation of the franchised Business. You will have no right to require us to disclose any variation or to grant the same or a similar variation to you.

8.04 Cobranding

We may determine from time to time to incorporate in the System programs, products or services which we either develop or otherwise obtain rights to, which are offered and sold under names, trademarks and/or service marks other than the Proprietary Marks and which your Business, along with some or all other Businesses, will be required to offer and sell. This activity, referred to as "cobranding", may involve changes or additions to the Proprietary Marks and may require you to make modifications to your Store's premises and the furniture, fixtures, equipment, signs and trade dress of your Store. If we give written notice to you that we are instituting a cobranding program, you agree promptly to implement that program at your Store at the earliest commercially reasonable time and to execute any and all instruments required to do so.

8.05 Compliance with Laws, Rules and Regulations

You agree to adhere to the highest standards of honesty, integrity and fair dealing in all dealings with the public and to operate your Business in strict compliance with all laws, rules, regulations, ordinances, policies and procedures of any federal, state, county, municipal or local governmental or quasi-governmental agency, commission and/or authority which govern the construction or any element of the operation of your franchised Store and Business. You also agree to obtain and keep in good standing all licenses, permits and other governmental consents and approvals which are now or hereafter required to operate your Store and Business now or in the future.

You represent and warrant to us that, as of the date of this Agreement and at all times during the term hereof, and to your actual or constructive knowledge, neither you, any affiliate of yours, any individual or entity having a direct or indirect ownership interest in you or any such affiliate (including any shareholder, general partner, limited partner, member or any type of owner), any officer, director, manager, or management employee of any of the foregoing, nor any funding source you utilize is or will be identified on the list of the U.S. Treasury's Office of Foreign Assets Control (OFAC); is directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States government or by any individual that is subject to an embargo imposed by the United States government; is acting on behalf of any country or individual that is subject to such an embargo; or, is involved in business arrangements or other transactions with any country or individual that is subject to an embargo. You agree that you will immediately notify us in writing immediately upon the occurrence of any event which would render the foregoing representations and warranties incorrect. Notwithstanding anything to the contrary in this Agreement, you may not allow, effect or sustain any transfer, assignment or other disposition of this Agreement to a "Specially Designated National or Blocked Person" (as defined below) or to an entity in which a "Specially Designated National or Blocked Person has an interest. For the purposes of this Agreement, "Specially Designated National or Blocked Person" means: (i) a person or entity designated by OFAC (or any successor officer agency of the U.S. government) from time to time as a "specially designated national or blocked person" or similar status; (ii) a person or entity described in Section 1 of U.S. Executive Order 13224, issued on September 23, 2001; or, (iii) a person or entity otherwise identified by any government or legal authority as a person with whom you (or any of your owners or affiliates) or we (or any of our owners or affiliates) are prohibited from transacting business.

You further agree that you will not hire, retain, employ or otherwise engage the services of any individual or entity in contravention of the Patriot Act; any law, rule or regulation pertaining to immigration or terrorism; or, any other legally prohibited individual or entity.

You are solely responsible for ascertaining what actions you must take to comply with all anti-terrorism laws, and you specifically acknowledge and agree your indemnification responsibilities as provided in this Agreement pertain to your obligations under this Section 8.05. Any misrepresentation by you under this Section 8.05. or any violation of the anti-terrorism laws by you, your owners, or employees will constitute grounds for immediate termination of this Agreement and any other agreement you have entered into with us or any of our affiliates.

8.06 Health, Safety and Cleanliness

You shall meet (or exceed) and maintain the highest health standards and ratings applicable to the operation of your franchised Store. You shall furnish to us, within five (5) days following your receipt thereof, a copy of all inspection reports, warnings, citations, certificates, or ratings resulting from inspections of your Store conducted by any federal, state, county, local or other governmental agency, commission and/or authority.

You shall comply with our requirements and specifications concerning the quality, service and cleanliness of your Store; the programs, products and services sold, offered for sale and/or provided at the Store; and, the operation of the Store under the System, as those requirements may be specified by us in this Agreement, in the Brand Standards or otherwise in writing.

You shall permit us or our agents, at any reasonable time and with or without notice, to remove samples of items from your franchised Business' inventory, or from your franchised Store, without payment therefor, in amounts reasonably necessary for testing either by us or an independent laboratory to determine whether said samples meet our then-current standards and specifications. We may require you to bear the costs of such testing if the supplier of the item has not previously been approved by us or if the sample fails to conform with our specifications.

You shall at all times maintain your franchised Store in the highest degree of sanitation, repair and condition. You acknowledge and agree that we or our agents may do "mystery shopper" or "undercover" shopper testing of your Store at any time to verify compliance with such requirements.

8.07 Your Participation in the Operation of the Business; General Manager

Unless we otherwise permit in writing, you agree to personally supervise and participate in the day-to-day operation of the franchised Business and to devote your time, attention and best efforts to honestly and diligently perform your obligations under this Agreement, all ancillary documents relating to this Agreement and all other agreements which may now or hereafter be in effect between us (or any affiliate) and you (or any affiliate) and to promote the Store. If you are licensed to operate more than one Business, then you agree to devote such amount of your time and attention to the performance of your duties as is necessary for the proper and effective operation of each such Business.

You must designate a "General Manager" for the effective operation of your franchised Business, who exerts full-time efforts to run the daily operations of your franchised GolfCave Business. If you are an individual, then you must serve as the General Manager of your franchised GolfCave Business. If you are a business entity, then you must designate one of your ultimate equity holders who is an individual to us to serve as the "Managing Owner" of your franchised GolfCave Business. You may not change your Managing Owner without our prior written approval. Your designated Managing Owner may, but need not, also serve as the General Manager of your franchised GolfCave Business. If your Managing Owner does so, then that individual must exert full time efforts to run the daily operations of your franchised GolfCave Business. Otherwise, your Managing Owner need not exert full-time efforts to run the daily operations of your Business but must oversee the efforts of your General Manager on a constant basis. If your General Manager is not your Managing Owner, then before designating and engaging the services of the General Manager, you must identify such individual to us; furnish information to us regarding the candidate's background, experience and credentials; and, secure our prior written approval of the candidate, which we will not unreasonably withhold or deny. The General Manager must attend and successfully complete our Initial Training Program. In addition, the proposed General Manager must demonstrate to our satisfaction (both at the time of approval and on a continuing basis thereafter) that such person satisfies our educational,

managerial and business standards, and has the aptitude and ability to conduct, operate and supervise your franchised Business.

You must immediately notify us within five (5) days upon the death, disability or termination of employment of your General Manager, for any cause or reason, or if your General Manager no longer qualifies as such. You must designate a successor or acting General Manager promptly and, in any event, no later than ten (10) days following the death, disability or termination of the predecessor General Manager. The above protocols and procedures governing your proposal and our approval of your initial General Manager shall apply to any successor General Manager you may propose. Any successor General Manager must possess those credentials set forth in our Brand Standards, must attend and successfully complete our next scheduled Initial Training Program and must attend and successfully complete such other reasonable training at such times as we may specify, all at your expense. The failure to employ and train a successor General Manager will constitute a material breach of this Agreement.

You must also immediately notify us within five (5) days upon the death, disability or termination of employment of your Managing Owner, for any cause or reason, or if your Managing Owner no longer qualifies as such (e.g., is no longer an equity-holder in you). Your Managing Owner must attend and complete our Initial Training Program, as must any successor Managing Owner.

8.08 Requirements Concerning Programs, Products and Services

A. *Programs, Products and Services You Sell*

You agree to sell all programs, products and services which are part of the System and all other programs, products and services which we in the future incorporate into the System unless, as to any one or more items, sale is prohibited by local law or regulation or we have granted you our advance written approval to exclude certain programs, products, or services. You may not sell any program, product or service which is not a part of the System or which we delete from the System. Required programs, products or services may include, without limitation, offering memberships in accordance with our current Brand Standards and providing members (whether of your Store or another GolfCave Store) access to certain programs, products or services to which you do not provide access to non-Members (or not during certain hours), in accordance with the Brand Standards in effect from time to time.

You must maintain in sufficient supply products, materials, supplies and paper goods as conform to our then-current written standards and specifications (as set forth in the Brand Standards or otherwise) and must refrain from deviating therefrom by the use of any non-conforming items without our prior written consent. Your Store must prepare all products utilizing such preparation standards, procedures and techniques as we specify and must refrain from any deviation from our standards and specifications without our prior written consent.

If you desire to sell any program, product, or service which is not a part of the System, then you must obtain our advance written permission, which we may deny for any or no reason. If we grant such advance written approval, then the program, product or service in question will become a part of the System; we may, but will not be required to, authorize the program, product or service for sale at one or more other Stores; we may subsequently revoke our approval for any or no reason; we will own all rights associated with the program, product, or service; and, you will not be entitled to any compensation therefor.

Nothing herein requires us to deliver or install for you any of your required equipment, signs, fixtures, opening inventory, supplies, or products you sell.

B. *Proprietary Programs, Products and Services*

You must purchase or lease any proprietary programs, products, systems, methods, platforms, supplies, equipment, materials or services used in conjunction with, offered or sold at the Store which now comprise, or in the future may comprise, a part of the System and which were developed by, are proprietary to or kept secret by us or our affiliates, only from us, an affiliate of ours that we

designate or an independent distributor whom we authorize. We impose this requirement to advance uniformity of the concept and quality of GolfCave and to protect our trade secrets, which are of the essence to the System and this Agreement. Proprietary products may include third party software versions or features which are uniquely designed for GolfCave, or any category of programs, products, services or equipment. We (or our affiliates or designees) will sell to you all proprietary products under terms we develop and advise you of from time to time. We reserve the right to earn a profit on the sale of proprietary products to you.

We reserve the right to implement, and require you to abide by, a Store audit procedure by which we or you use automated technology to monitor and collect information (such as motion in your Store, and entrance activity) during unstaffed hours in order to determine what customers used the Cave(s) at your Store during such hours, and ensure that such customers are charged accordingly.

C. Sources of Supply and Specifications

You must purchase certain required non-proprietary programs, products, systems, methods, platforms, supplies, equipment, materials or services, and comply with all specifications for same, from suppliers we designate in writing; from suppliers you propose and we approve; and/or, in accordance with our written specifications. Such standards and specifications may be specific as to brand name, item/model/catalog number, preparation or manufacturing facility, or other factors we consider relevant. All such designated sources must demonstrate, to our continuing reasonable satisfaction, the ability to meet our then-current standards and specifications for such items; that they possess adequate quality controls and capacities to supply your (and other Stores') needs promptly and reliably; and, must be approved in writing by us (and have not thereafter been disapproved) prior to any purchases by you from any such supplier. All such designated sources and specifications are subject to addition, modification, revocation and/or deletion by us from time to time upon notice given to you. If we revoke or delete any product, supply, equipment, component or approved supplier, then you must cease using any such disapproved item or supplier (or any items purchased from a revoked source of supply) which are inventoried by your Store within ten (10) days following your receipt of written or electronic notice from us, unless the item or source of supply poses a threat to the health or safety of the public, in which case you must cease using such item or source of supply immediately upon notice from us orally, electronically, or in writing.

We may from time to time provide you with specifications governing the minimum standards of programs, products, services and/or equipment required to be used in or sold by your Store, for which we do not designate a required source of supply. We will set forth such specifications in our Brand Standards or in other written or electronic notices we transmit to you. We may add to, modify or revoke our specifications in writing from time to time.

You may propose a new or substitute supplier in accordance with the following procedure:

1. You must submit a written request to us for approval of the supplier and then furnish us with the information, data and samples that we reasonably request;
2. The supplier must demonstrate to our reasonable satisfaction that it is able to supply the program, product, service or equipment to you meeting our specifications;
3. We or our agents must have the right, and must be permitted, to inspect the proposed supplier's facilities and to have samples from the supplier delivered either to us, an independent laboratory or another designee for testing, all at your and/or the proposed supplier's expense;
4. The proposed supplier must demonstrate to our reasonable satisfaction, following our inspection or other review, that it is in good standing in the business community in all respects; that the program, product, supply, equipment, material or service meets or exceeds our specifications and standards for same in all respects; and, that the proposed supplier's manufacturing and distribution capabilities are sufficient to furnish

you (and other Stores) with the subject program, product, supply, equipment, material or service in a consistently timely, sanitary, hygienic and cost-efficient fashion;

5. We may require that the proposed supplier also agree to comply with such other requirements we may deem appropriate, including our ability to conduct continuing inspections and, in connection therewith, charge reasonable continuing inspection fees and administrative costs; and,

Nothing in the foregoing shall be deemed to require us to approve any particular supplier or to require us to make available to prospective suppliers any standards, specifications, procedures or protocols that we, in our business judgment, deem confidential.

We, our affiliate or our designee may be an approved source of supply for any such non-proprietary program, product, supply, equipment, material or service that you are required to purchase. However, you will not be obligated to purchase any such non-proprietary items solely from us or our affiliate. We will determine the prices we charge for any such item and will notify you of such prices at the time of sale, in our Brand Standards or otherwise. We reserve the right to earn a profit from selling any and all such non-proprietary items to you and other GolfCave franchisees.

We and/or our affiliates may derive revenue - - in the form of promotional allowances, volume discounts, commissions, other discounts, performance payments, signing bonuses, rebates, marketing and advertising allowances, free products, and other economic benefits and payments - - from suppliers that we designate, approve, or recommend for some or all GolfCave Stores on account of those suppliers' prospective or actual dealings with your GolfCave Store and other GolfCave Store(s). That revenue may or may not be related to services we or our affiliates perform. All amounts received from suppliers, whether or not based on your or other franchisees' purchases from those suppliers, will be our and our affiliates' exclusive property, which we and our affiliates may retain and use without restriction for any purposes we and our affiliates deem appropriate. Any products or services that we or our affiliates sell you directly may be sold to you at prices exceeding our and their costs.

We also reserve the right to direct that any supplier rebates, refunds, advertising allowances or other consideration payable or paid as a result of your purchases of non-proprietary goods, services or equipment be paid until further notice to the System Brand & Technology Fund (to be expended as provided in this Agreement). If we do so, then you hereby acknowledge that you will not assert any interest in such monies.

D. Systemwide Supply Contracts

We may, in the exercise of our business judgment, enter into supply contracts either for all Stores or a subset of Stores situated within one or more geographic regions (each, a "systemwide supply contract"). We may enter in such systemwide supply contracts with one or more vendors for programs, products, supplies, equipment, materials and services that all company-owned and franchised Stores in the United States, or company-owned and franchised Stores in a designated geographic area, will be required to purchase, use and/or sell. If we do so, then immediately upon notification, you, we and all other Stores (or, as applicable, those in the designated geographic area) must purchase the specified program, product, supply, equipment, material or service only from the designated supplier. However, if at the time of our notification you are already a party to a non-terminable supply contract with another vendor or supplier for the item in question, then your obligation to purchase from our designated supplier under the systemwide supply contract will not begin until the scheduled expiration (or earlier termination) of your pre-existing supply contract.

We make no representation that we will enter into any systemwide supply contracts or other exclusive supply arrangements or, if we do so, that you would not otherwise be able to purchase the same programs, products and/or services at a lower price from another supplier. We may add to, modify, substitute or discontinue systemwide supply contracts or exclusive supply arrangements in the exercise of our business judgment.

E. Technology Requirements

You understand and agree that it is vital for the System to feature state-of-the-art digital, e-commerce and other modern capabilities, platforms, "apps" and other now or hereafter developed infrastructure, tools, systems and analytics, and that these capabilities are constantly evolving and require continued focus, investment and innovation, all of which may trigger your need to comply with all current and any hereafter developed hardware and software purchase and utilization requirements we impose, as provided hereafter.

You must purchase, utilize, maintain, retire and replace the technology serving your franchised Business and as and when we require in the Brand Standards or otherwise in writing. When we direct, you agree to procure and install, at your expense, the computer hardware, software, wired and/or wireless internet connections and service, required dedicated telephone and power lines, "smart phone" automated customer purchase tracking facilities and computer-related accessories such as a cash register, receipt printer, and associated hardware and software for your point-of-sale operations; the online scheduling system and customer database software service/subscription which we specify to you; the systems we specify for electronics, gift cards, customer time tracking and scheduling, email, document management, online access control for customers to enter a Store, security, and accounting; the golf simulator machines; if we elect, the centralized customer scheduling database we specify (which may apply across Stores) with regard to scheduling customers; and, other computer-related accessories, peripherals and equipment that we specify in our Brand Standards or otherwise from time to time (the "Computers and Point of Sale Systems"). You agree to obtain and maintain high-speed broadband communications access or other high-speed capacity that we require for your Computers and Point of Sale Systems You also agree to maintain at all times a functioning e-mail address for your Business and such wi-fi service for your customers as we may designate in the Brand Standards. Despite the fact that you agree to buy, use, and maintain the Computers and Point of Sale Systems according to our standards and specifications, you will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computers and Point of Sale Systems; (2) the manner in which your Computers and Point of Sale Systems interface with our and any third party's computer system; and (3) any and all consequences if the Computers and Point of Sale Systems are not properly operated, maintained, and upgraded..

You agree to provide all assistance we require to bring your Computers and Point of Sale Systems online and (as applicable) connected with our computers at the earliest possible time and to maintain these connections as we require. You agree to input and maintain in your Computers and Point of Sale Systems all data and information which we prescribe in our Brand Standards, in our proprietary software (if any) and its manuals, and otherwise. We will have independent access to your Computers and Point of Sale Systems and we may retrieve from your Computers and Point of Sale Systems all information that we consider necessary, desirable or appropriate. You must accurately, consistently and completely record and provide through the Computers and Point of Sale Systems all information concerning the operation of the franchised Business that we require, in the form and at the intervals that we require, and allow us independent access to such data such including (without limitation) purchases at your Store your sales by day-part. We may also from time to time adjust requirements pertaining to capturing and relaying to us customer information and data. You acknowledge and agree that all customer information and data arising out of or collected in connection with the operation of the Store is Confidential Information and we are the sole owner of all right, title, and interest in and to such customer information and data in accordance with Section 12.01 of this Agreement. If we elect, you must use the centralized customer scheduling database (which may apply across Stores) with regard to scheduling customers.

You agree to use any proprietary software and software support services that, in the future, either we develop and provide or which are provided on our behalf by a third party supplier we designate, and you will execute any standard form software license agreement reasonably necessary to do so. The current expense required to obtain such software support services is set forth in the Disclosure Document you received prior to signing this Agreement. You agree to purchase from us or our

designee, as applicable, new, upgraded or substitute proprietary software whenever we determine to adopt them systemwide, at the prices and on the terms that we or such third-party vendor establish, but you will not be required to do so more than once in any calendar year.

You agree, at your expense, to keep your Computers and Point of Sale Systems in good maintenance and repair. We may mandate that you add memory, ports, accessories, peripheral equipment and additional, new or substitute software. Following our testing and determination that it will prove economically or systemically beneficial to you and to us, you agree to install at your own expense the additions, modifications, substitutions and/or replacements to your Computers and Point of Sale Systems hardware, software, telephone and power lines and other Point of Sale Systems facilities as we direct, on the dates and within the times we specify in our Brand Standards or otherwise. Although we cannot estimate the future costs of your Computers and Point of Sale Systems or required service or support, and although these costs might not be fully amortizable over this Agreement's remaining term, you agree to incur the costs of obtaining the computer hardware and software comprising the Computers and Point of Sale Systems (or additions and modifications) and required service or support, which might include fees payable to us and/or our affiliates. We have no obligation to reimburse you for any Computers and Point of Sale Systems costs.

You understand and agree that modes of computerization and communication are rapidly evolving and that, accordingly, we may require you at your expense to purchase, install and utilize at your franchised Business and Store such hereafter developed or modified modes of computerization, hardware, software, equipment, accessories, facilities, capabilities, communication, media and/or interfaces as we, in our sole business judgment, determine to incorporate into the System. You shall do so at such time and in such manner as we designate, in our Brand Standards or other written notices. You may be required to purchase such newly developed modes of computerization, as well as improvements to or modifications of your computer and point-of-sale systems, from us or our affiliates and, in connection therewith, enter into related license and support agreements requiring you to pay us and/or our affiliates standard support and maintenance fees. We reserve the right to charge license, support, maintenance and other technology fees separately or in the aggregate and to change the basis of the allocation of any fees from time to time to reflect: (i) any increase or decrease in the costs and expenses of providing the applicable services, or (ii) any change in the competitive needs of the System, including the right to change the basis for charging such fees, so long as the charges are computed on a fair and consistent basis among similarly situated System Stores receiving the services for utilizing the applicable systems.

You agree, at your expense, to keep your franchised Business' computer systems and any other technology systems current, supported, and in good maintenance and repair.

Upon termination or expiration of this Agreement, you must return or transfer all software, hard drives, disks, tapes and other magnetic storage media, as well as all data, software licenses, software or hardware access passwords and codes used in conjunction with your operation of your franchised Store to us in good condition, allowing for normal wear and tear.

You will provide to us all user ID's and passwords required to access files and other information stored on your franchised Business's Computers and Point of Sale Systems. You will at all times ensure that the only personnel conducting transactions, training, or work on your Computers and Point of Sale Systems will be those who have been trained and qualified in accordance with the requirements of our Brand Standards.

F. Reciprocity Policy for GolfCave Members

You agree to abide by GolfCave's Reciprocity Policy regarding customers of other Stores, as modified from time to time, as a part of our Brand Standards. You acknowledge that this policy may restrict or prohibit you from selling any membership that does not provide reciprocity benefits to all your members, and may require you to provide a means of accessing your Store by customers of other GolfCave Stores (whether owned/operated by you or not) during the hours permitted under

such policy (if permitted during unstaffed hours, typically through an access card or key fob system we designate). You further acknowledge and agree this may require you, among other things, to transfer GolfCave members from your Store to another Store based on the current GolfCave Reciprocity Policy; obtain signed waiver forms from members of other Stores who patronize your Store; and, charge certain capped additional fees to members of other GolfCave Stores that choose to patronize your Store (as we may detail from time to time in our Brand Standards).

8.09 Web Sites/Social Media

We alone may establish, maintain, modify or discontinue all internet, worldwide web and electronic commerce activities pertaining to the System, including through the use of a page or profile on a social media website such as (but not limited to) Facebook, Instagram, Snapchat, TikTok, LinkedIn or Twitter. We may establish one or more websites accessible through one or more uniform resource locators ("URL's") and, if we do, we will design and provide for the benefit of your franchised Business a "click through" / "child" subpage at each such website for the promotion of your Business. If we establish one or more websites or other modes of electronic commerce and if we provide a "click through" / "child" subpage at each such website for the promotion of your Business, you agree to routinely provide us with updated copy, photographs and news stories about your franchised Business suitable for posting on your Business's "click through" / "child" subpage, the content, frequency and procedure of which will be specified in our Brand Standards. Any websites or other modes of electric commerce that we establish or maintain may – in addition to advertising and promoting the programs, products, or services available at Businesses – also be devoted in part to offering Business franchises for sale and be utilized by us to exploit the electronic commerce rights which we alone reserve (as provided in Section 3.04 above). Other than the foregoing, you may not maintain your own website or social media page; otherwise maintain a presence or advertise on the internet, through social media or in any other mode of electronic commerce in connection with your franchised Business, including through the use of a page or profile on a social media website such as Facebook, Snapchat or Twitter; establish a link to any website we establish at or from any other website or page; or, at any time establish any other website, social media or electronic commerce presence which in whole or in part incorporates the "GolfCave" name or any name confusingly similar thereto.

We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any GolfCave website we establish and maintain, including any and all material you may furnish to us as provided above. Ownership of the URL (uniform resource locator) and other identifiers associated with any such web site shall vest exclusively in us.

We may establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee e-mail or other electronic messages, System discussion forums and systemwide communications (among other activities) can be effected.

8.10 Indemnification

You agree that you will, at your sole cost, at all times defend and hold harmless us, any affiliate of ours, the affiliates, subsidiaries, successors, assigns and designees of each; and, the officers, directors, managers, employees, agents, attorneys, shareholders, owners, members, designees and representatives of all of the foregoing (we and all others referenced above being the "Franchisor Parties"), and indemnify, reimburse and hold harmless us and the Franchisor Parties to the fullest extent permitted by law, against all claims, losses, liabilities and costs (as denominated in the following paragraph) incurred in connection with any judicial, administrative or arbitration action or proceeding (including bankruptcy, insolvency, debtor/creditor or similar proceedings), suit, claim, demand, investigation, or formal or informal inquiry (regardless of whether any of the foregoing is reduced to judgment) or any settlement of the foregoing, which actually or allegedly, directly or indirectly, arises out of, is based upon, is a result of or is related in any way to any element of your entry into this Agreement; your establishment, construction, ownership, opening and operation of your Store and franchised Business, including any other business operating within or in relation to the Store (which other business, if any, shall be subsumed within this paragraph's references to the

Store) and further including (without limitation) any personal, bodily or mental injury, death, property damage or loss, suffered by any customer, visitor, manager, operator, supplier, employee or guest of the franchised Store or Business; crimes committed on or near any of the premises or facilities of your franchised Business or vehicles used by your franchised Business; all acts, errors, neglects or omissions engaged in by you, your contractors or subcontractors, as well as any third party, arising out of or related to the design, construction, conversion, build-out, outfitting, remodeling, renovation or upgrading of your Store, whether or not any of the foregoing was approved by us; defects in any Store you construct and/or operate, whether or not discoverable by you or by us; product recalls resulting from or related to your acts, errors or omissions; all acts, errors, neglects or omissions of you or the franchised Business and/or the owners, officers, directors, management, employees, agents, servants, contractors, partners, proprietors, affiliates or representatives of you and/or the franchised Business and/or the Location (or any third party acting on your behalf or at your direction), whether in connection with the franchised Business, the Location or otherwise, including (without limitation) any property damage, injury or death suffered or caused by any vehicle serving your franchised Business; any claim, however and wherever asserted, that we or our affiliates are the employer, joint employer or co-employer of you and/or your employees; third party claims against us arising from or related to your breach of the terms, restrictions and requirements of this Agreement (including, without limitation, your unauthorized use of the Proprietary Marks, violation of any applicable laws, codes, rules or regulations or failure to comply with Privacy Laws); your violation of Privacy Laws; all liabilities arising from your offer, sale and/or delivery of programs, products and/or services as contemplated by this Agreement; your offer, sale and/or delivery of securities, equity interests or other ownership interests in you or the franchised Store or Business; all activities, conduct and representations which you may engage in connected to any actual or attempted assignment (as defined in Section 14.02) of any interest whatsoever in you or the franchised Store or Business (or any entity which controls (as defined in Section 14.02) you or the franchised Store or Business); any liability arising from your permitting people within your Store to imbibe alcoholic beverages; any liability arising from your permitting customers or others to access the premises of your Store when no Store personnel are present; and, any action by any customer of yours or visitor to your Store or any other facility operated in conjunction with your franchised Business (collectively, an "Indemnification Claim").

As used above, the phrase "claims, losses, liabilities and costs" includes all claims; causes of action; fines; penalties; liabilities; losses; employment liabilities; compensatory, exemplary, statutory or punitive damages or liabilities; costs of investigation; lost profits; court costs and expenses; reasonable attorneys' and experts' fees and disbursements; settlement amounts; judgments; compensation for damage to our reputation and goodwill; costs of or resulting from delays; travel, food, lodging and other living expenses necessitated by the need or desire to appear before (or witness the proceedings of) courts or tribunals (including arbitration tribunals), or government or quasi-governmental entities (including those incurred by Franchisor Parties' attorneys and/or experts); all expenses of recall, refunds, compensation and public notices; and, other such amounts incurred in connection with the matters described. All such losses and expenses incurred under this indemnification provision will be chargeable to and paid by you pursuant hereto, regardless of any actions, activity or defense undertaken by us or the subsequent success or failure of the actions, activity or defense.

Specifically excluded from the indemnity you give hereby is any liability associated with our or the other Franchisor Parties' gross negligence, willful misconduct or criminal acts (except to the extent that joint liability is involved, in which event the indemnification provided herein shall extend to any finding of comparative or contributory negligence attributable to you).

You agree to give us written notice of any suit, judicial or administrative investigation, proceeding, claim, demand, inquiry or any other event that could be the basis for an Indemnification Claim within three (3) days of your actual or constructive knowledge of it. At our election, you will also defend us and the other Franchisor Parties (including us) against the Indemnification Claim. If you or any of your affiliates and the Franchisor Parties (or any one of them) are named as co-defendants, and

there is a conflict of interest between them such that they cannot be represented by common counsel, then the Franchisor Parties may retain separate counsel at your expense and you will promptly reimburse the Franchisor Parties for all costs and attorneys' fees incurred upon request and as they are incurred. We will have the right, at your cost, to control the defense of any Indemnification Claim (including the right to select its counsel or defend or settle any Indemnification Claim at your sole expense) if we determine that such Indemnification Claim may directly or indirectly affect the interests of any of the Franchisor Parties (including us). Our undertaking of defense and/or settlement will in no way diminish your obligation to indemnify the Franchisor Parties and hold them harmless.

We will have the right, at any time we consider appropriate, to offer, order, consent or agree to settlements or take any other remedial or corrective actions we consider expedient with respect to any Indemnification Claim if, in our sole judgment, there are reasonable grounds to do so. You will not settle or compromise any legal action in which any Indemnatee is a defendant without our prior written consent, which we may grant or withhold in our sole discretion. None of the Franchisor Parties (including us) shall be required to seek recovery from third parties or otherwise mitigate their losses to claim indemnification from you. You agree that any failure to pursue recovery from third parties or mitigate loss will in no way reduce the amounts recoverable from you by any of the Franchisor Parties (including us). The indemnification obligations of this Section 8.10 will survive the expiration or sooner termination of this Agreement.

8.11 Inspection

We (and any of our authorized agents or representatives, including outside accountants, auditors and/or inspectors) may enter your Store and any premises of your franchised Business, examine any motor vehicle used in connection with Store operations, photograph the Store and observe and videotape the Store's and/or any Caves' operation for consecutive or intermittent periods we deem necessary, and/or visit any locations at which you have provided or are providing products, programs, or services to customers or at which you maintain business records, and inspect and audit the products, programs and services provided from or at such locations; the products and supplies contained at such locations and their condition; confer with your employees and customers; and, assess your operating systems and compliance with this Agreement and the System standards. We may conduct such inspections with or without prior notice to you. You shall cooperate with our representatives conducting such inspections by rendering any assistance they may reasonably request. Following any such inspection, you shall take such steps as are necessary to incorporate into your Store and your franchised Business operations any reasonable corrections and modifications we require to maintain the standards of quality and uniformity we prescribe, as quickly as is reasonably possible and using all resources at your disposal.

8.12 Intellectual Property You Develop

You hereby permanently and irrevocably assign to us, in perpetuity throughout the world, any and all rights and interests (including intellectual property rights and interests) to any and all of the following which is developed by you, or on your behalf, if developed in whole or in part in connection with your franchised Business or Store: all programs, products or services; all variations, modifications and/or improvements on programs, products or services; your means, manner and style of offering and selling programs, products and services; management techniques or protocols you may develop (or have developed on your behalf); all layout schematics and design elements; all sales, marketing, advertising and promotional programs, campaigns or materials developed by you or on your behalf; and, all other intellectual property developed by you or on behalf of your franchised Business. Except to the extent prohibited by applicable law, codes, rules or regulations, you waive, and will cause each of your employees or independent contractors who contributed to System modifications and/or improvements to waive, all "moral rights of authors" or any similar rights in such modifications and/or improvements. We may authorize ourselves, our affiliates and/or other franchised Businesses to use and exploit any such rights which are assigned to us hereunder. The sole consideration for your assignment to us of all of the foregoing rights shall be our grant of the franchise conferred upon you by this Agreement.

8.13 Adequate Reserves and Working Capital

We reserve the right to require, at our sole discretion and in our reasonable business judgment, that you meet certain financial requirements, which may include the requirement to maintain (i) a minimum working capital reserve, (ii) a minimum debt service coverage ratio, (iii) a maximum amount of incurred debt, (iv) a minimum balance in the bank account utilized to make payments to us; and (v) any other reasonable financial health metrics required by us. We will provide such requirements to you in writing and they will become effective thirty (30) days after we provide written notice of such requirement(s) to you. Without limiting the foregoing, you must at all times maintain adequate reserves and working capital sufficient for you to fulfill all your obligations under this Agreement and to cover the risks and contingencies of the franchised Business for at least three (3) months. These reserves may be in the form of cash deposits or lines of credit.

8.14 Credit Cards and Other Modes of Payment

You agree to become and remain a merchant for any credit cards and/or debit cards, and any credit and/or debit card processor(s), which we may specify in our Brand Standards or otherwise. Further, you agree to maintain the creditworthiness required of each of these credit card or debit card issuers; to honor these cards for credit purposes; and, to abide by all related regulations and procedures that we and/or the credit card and/or debit card issuer prescribes. If we require that you use a particular credit card processor in your Business, you shall do so.

In addition, you agree that, at your sole expense, you shall at our direction and by the time we specify purchase, install and utilize such equipment, facilities, software and personnel necessary to enable now or hereafter developed alternative modes of customer payments (beyond cash, credit cards and debit cards). Such alternative modes of payment may include, by way of examples only, "smart phone" payment transactions and automated "smart phone" (or other) customer purchase tracking / payment transactions, and crypto-currency transactions.

You must at all times undertake all reasonable measures to anticipate, detect and prevent fraudulent credit or debit transactions or such alternative modes of customer payments.

8.15 Compliance with Security Protocols

You agree to assure all communication connections (of whatever form, wireless, cable, internet, broadband or other) and access to financial information, especially credit card information, is at all times kept secure in a manner which is in compliance with all legal requirements and, particularly, with all security requirements of the issuing credit card companies. You further agree to hold us and the other Franchisor Parties (as defined in Section 8.10) harmless from any and all claims and liabilities related to your failure to do so. In addition, at your cost, you agree to provide us with a written report of verification from a specialist approved by us confirming compliance with the obligations imposed by this Section 8.15 and any other proof of such compliance that we may reasonably require.

8.16 Hours of Operation

You agree to continuously operate your franchised Store on the days and during the minimum hours that we from time to time may specify in our Brand Standards or otherwise. You may establish hours of operation in addition to the required minimum hours, subject to applicable laws, rules or regulations.

You acknowledge that it is part of GolfCave's brand image that GolfCave Stores are generally open and available during a broad range of times, including unstaffed hours to the extent reasonably practicable. However, it is your choice and responsibility whether to have your Store open during hours when it is unstaffed. Notwithstanding any recommendations or requirements in our Brand Standards or policies that your GolfCave Store be open twenty-four (24) hours per day, if any applicable state or local laws, rules or regulations require you to have a staff member in the premises at all times that persons are using your GolfCave Store then you shall comply with such laws, rules or regulations, you will inform and consult with us about such requirements, and we shall, on a case-by-case basis, arrive at a mutually agreeable plan for you to operate your Store less than twenty-

four (24) hours per day to the extent required by local laws, rules or regulations. We may also require you to staff your Store for a minimum amount of hours per week. We may, in our Brand Standards, require security features during times of unsupervised access / unstaffed Store operations, such as requiring a telephone answering service during unstaffed time periods, and requiring panic buttons be installed and operational in common areas. You acknowledge that your indemnification and reimbursement obligations per Section 8.10 extend to claims, losses, liabilities and costs (as defined therein) arising directly or indirectly from your permitting 24-hour / unsupervised / unstaffed access to your Store.

You must comply with our Store Access Policy in place from time to time in our Brand Standards. If your store is open during unstaffed hours, you must comply with our Brand Standards regarding who is permitted in your Store during unstaffed hours. For example, we may require in our Brand Standards that you only permit members of your own Store to access your Store during unstaffed hours.

It is also your choice and responsibility whether or not to permit customers or guests of your Store to imbibe alcoholic beverages while in your Store (a "bring your own beverage (BYOB)" policy), but subject to, and in any event in full and strict compliance with, all applicable laws, rules or regulations (including during which hours that is permitted and what types of alcoholic beverages are permitted, which you are responsible to inform yourself about) as well as our Brand Standards.

8.17 Business Entity Requirements and Records

If you are a corporation, limited liability company, limited partnership or any other type of business entity, you must comply with the following requirements (which will also apply to any assignee of this Agreement which is a business entity):

- A. Furnish us with all of your formation, organizational and governing documents; a schedule of all current owners (indicating as to each its percentage ownership interest) in the form annexed hereto as Exhibit I; any shareholder, partnership, membership, buy/sell or equivalent agreements and documents; and, a list of all of your officers, directors and managers (as applicable).
- B. Unless we otherwise consent in writing, your business entity's formation and governing documents must provide that its activities will be confined exclusively to the operation of the franchised Business.
- C. You must promptly notify us in writing of any change in any of the information specified, or in any document referred to, herein.
- D. All of your business entity's organizational documents (including any partnership, partnership agreements, incorporation documents, organization/formation documents, bylaws, operating agreements, shareholders agreements, buy/sell or equivalent agreements, and trust instruments) will recite that the issuance or transfer of any Interest in you is restricted by the terms of this Agreement, and that the sole purpose for which you are formed (and the sole activity in which you are or will be engaged) is the conduct of a franchised Business pursuant to one or more franchise agreements from us and that your activities will be exclusively confined to such purpose. Your organizational documents will also include a "Supremacy of Franchise Agreement" clause reciting the following: "To the extent any provision of this Agreement conflicts, violates or is inconsistent with any provision of the GolfCave Franchising LLC Franchise Agreement, the parties hereto agree that the provisions of such Franchise Agreement shall supersede the same and that the parties hereto shall enter into such amendments to this agreement as are necessary in order to make the relevant provisions consistent with or non-violative of the provisions of the GolfCave Franchising LLC Franchise Agreement."

- E. You will maintain stop instructions against the transfer on your business entity's corporate records of any securities or other ownership interests, and will not issue securities or other evidences of ownership without the following legend printed legibly and conspicuously on the face of the security or other evidence of ownership:

“The transfer of this certificate and the interests it represents are subject to the terms and conditions of one or more Franchise Agreements with GolfCave Franchising LLC, and to the restrictive provisions of the organizational documents of the issuer. Please refer to those documents for the terms of the restrictions.”

- F. Without our prior written consent (which shall not be unreasonably withheld, delayed or conditioned), you may not permit any mortgage, lien, pledge or other security interest in respect of any of your business entity's shares, equity interests or other ownership interests. Any violation of this restriction will give us the right to terminate this Agreement immediately upon notice to you.

8.18 Staffing Requirements, Qualifications and Training

You agree to staff your franchised Business in accordance with the specifications and criteria we set forth in our Brand Standards concerning the selection, qualifications, hiring, training, pre-training and post-training of your personnel. You agree to maintain a competent, conscientious, trained staff in sufficient numbers as we require so that you may promptly, efficiently and effectively service customers. You understand, agree, and will never contend otherwise, that the minimum staffing levels we prescribe in our Brand Standards do not reflect our ability to in any fashion control the day-to-day operation of your franchised Business and its Store but, to the contrary, merely reflect those staffing levels necessary to achieve and maintain those standards of quality, uniformity and service which the consuming public has come to associate with the Proprietary Marks and GolfCave Stores.

You shall take such steps as are necessary to ensure that your employees preserve good customer relations and comply with the standards of appearance, dress code, manner and demeanor we establish in our Brand Standards or otherwise.

To impart to your management and employees the latest procedures, techniques, policies and standards of the System, you agree to conduct the in-house meetings, training sessions, electronic training programs or other programs that we specify in our Brand Standards or otherwise or as you – using your reasonable business judgment – determine are necessary, appropriate or desirable, using any material and programs we may provide for this purpose.

8.19 Testimonials and Endorsements

You agree to permit us (or any of our authorized agents or representatives) to communicate in any manner with your customers to procure customer testimonials and endorsements of the programs, products or services furnished by your franchised Business and any related programs, products or services. You agree to cooperate with us in procuring testimonials and endorsements. You agree that we will be free to make whatever use of testimonials and endorsements that we determine, and that we will owe you absolutely no direct or indirect compensation or other duty as a consequence of our use.

8.20 Trade Accounts

You agree to maintain your trade accounts in a current status and to seek to promptly resolve any disputes with trade suppliers. If you do not maintain your trade accounts in a current fashion, we may pay any or all of the accounts on your behalf, but we will have no obligation to do so. If we pay any accounts on your behalf, then you agree to immediately repay us as provided by Section 5.06(E). If you do not keep your trade accounts current or make immediate repayment to us, this will be a material breach of this Agreement entitling us to terminate this Agreement following our giving you notice and an opportunity to cure your breach.

8.21 No Conflicting Agreements

During the term of this Agreement, you may not be party to any contract, agreement, business entity formation or governance document, mortgage, lease or restriction of any type which may conflict with, or be breached by, the execution, delivery, consummation and/or performance of this Agreement.

8.22 Taxes

You shall promptly pay when due all taxes levied or assessed upon your franchised Business including, without limitation, all employment, workers' compensation and sales taxes. In the event you have any *bona fide* dispute as to your liability for taxes assessed, you may contest the validity of the amount of the tax in accordance with the procedures of the taxing authority or applicable law. However, in no event shall you permit a tax sale or seizure by levy of execution or similar writ or warrant, to occur against the premises of your franchised Business, your Store or any improvements thereon.

8.23 Government Actions

You shall notify us in writing within five (5) days of the commencement of any action, suit or proceeding and/or the issuance of any citation, order, writ, injunction, award or decree of any court, agency or other governmental or quasi-governmental instrumentality, which may adversely affect the operation or financial condition of your franchised Business.

8.24 Privacy and Data Protection

You will: (i) comply with all applicable international, national, federal, provincial, state, or local laws, codes or regulations that regulate the processing of information that can be used (alone or when used in combination with other information within your control) to identify, locate or contact an individual or pertains in any way to an identified or identifiable individual ("Personal Information") in any way, including, but not limited to, national and state data protection laws, laws regulating marketing communications and/or electronic communications, information security regulations and security breach notification rules ("Privacy Laws"); (ii) employ administrative, physical, technical and organizational safeguards that: (a) are designed to prevent the unauthorized collection, access, use and disclosure of Personal Information ("Safeguards"); and (b) meet or exceed industry standards regarding Safeguards, including payment card industry ("PCI") standards, norms, requirements and protocols to the extent applicable; (iv) comply with all Safeguards that have been and are in the future developed and compiled by us that relate to Privacy Laws and the privacy and security of Personal Information; (iii) refrain from any action or inaction that could cause us to breach any Privacy Laws; and (iv) do and execute, or arrange to be done and executed, each act, document and thing we deem necessary in our business judgment to keep us in compliance with the Privacy Laws. You are solely responsible for educating yourself as to these regulations and standards and for achieving and maintaining applicable compliance certifications.

You will be fully responsible for any unauthorized collection, access, use and/or disclosure of Personal Information arising from your action or inaction. You further agree that the indemnification of us and the other Franchisor Parties specifically embraces all claims and liabilities sought to be imposed against us arising from or related to (directly or indirectly) your failure to comply with the provisions of this Section 8.24.

You will immediately notify us in writing of any breaches or suspected breaches of security (either electronic or physical) that may result in the unauthorized collection, access, use or disclosure of Personal Information or (ii) if you receive any oral or written notice of inquiry, investigation or review from any individual or administrative agency (such as the Federal Trade Commission or State Attorney Generals' offices or other similar agency in countries outside of the U.S.) that arises out of, relates to or affects Personal Information within your control. You will comply with our requests and make all reasonable efforts to assist us in relation to the investigation and remedy of any such breach of security and any claim, allegation, action, suit, proceeding or litigation with respect to the unauthorized access, use or disclosure of the Personal Information.

8.25 Complaints; Claims; Safety; Health and Other Violations

You must process and handle all consumer complaints connected with or relating to the Store, and shall, within twenty-four (24) hours, notify us by telephone and in writing of all of the following complaints: (i) food related illnesses (if you choose to serve any food in your Store), (ii) safety or health violations, (iii) claims exceeding One Thousand Dollars (\$1,000.00), and (iv) any other material claims against or losses suffered by you.

8.26 Crisis Management

Upon the occurrence of a Crisis Management Event (as defined below):

- A. We may, in our sole and absolute discretion, elect to control the manner in which the Crisis Management Event is handled by the parties, including, without limitation, managing and conducting, ourself or via our designee, all communication with third parties including the news media, temporarily suspending or closing one or more GolfCave Stores, suspending or discontinuing certain service offerings at some or all GolfCave Stores and/or taking any remedial measures or making any such other modifications to the System's policies, procedures, processes and operations as we may deem, in our sole discretion, necessary or prudent in response to the Crisis Management Event. Your and our employees shall cooperate fully with us or our designee in our or our designee's efforts and activities in this regard and shall be bound by all further Crisis Management Event procedures developed by us. You shall not reopen your GolfCave Store or resume suspended or discontinued services until we provide our express written consent to do so.
- B. Upon learning that a non-System wide Crisis Management Event has occurred in or about your GolfCave Store, you shall immediately inform us by telephone or email (or as otherwise instructed in the Manual) upon becoming aware of such Crisis Management Event. You acknowledge that, if we elect to direct the management of any Crisis Management Event, we or our designee may engage the services of attorneys, experts, doctors, testing laboratories, public relations firms and those other professionals as we deem appropriate, and we may require you to reimburse us for all such costs provided, however, that you shall only be required to reimburse us for such costs to the extent the Crisis Management Event (i) arises, directly or indirectly, from the actions or inactions of you or (ii) relates solely to, or solely occurs in or about, your GolfCave Store. Your indemnification obligations as provided in Section 8.10 shall apply to all losses and expenses that may result from our or our designee's exercise of the management rights granted in this Section.
- C. Our rights under this Section 8.26 shall be exercised in our sole business judgment and nothing in this Section 8.26 shall be deemed to require us to act, manage or remediate any Crisis Management Event. Our rights under this Section 8.26 shall continue until we determine that the Crisis Management Event is resolved. We shall have no liability to you for any losses arising from our actions or inactions under this Section 8.26.
- D. "Crisis Management Event" means any event or incident that:
 1. occurs at or about, or impacts, your GolfCave Store that has or may cause real or perceived harm or injury to member or employees, such as equipment malfunction, matters affecting the health, safety or well-being of any customer, employee or the general public at the Store, suspected spread of epidemics, pandemics or other contagious diseases, natural disasters, criminal or terrorist acts, shootings, or any other circumstances which may have the actual or potential ability to damage the System, the Proprietary Marks, or the image or reputation of us or our affiliates; and/or

2. results in any governmental action, mandate, advisory opinion, declaration of emergency or otherwise that may impact, or may require the suspension, termination, or modification of operations of, your GolfCave Store.

8.27 Coupons, Certificates and Vouchers

You must participate in, and comply with the requirements of, any gift card, gift certificate, customer loyalty or retention program that we (or our affiliates) implement, at your expense, for all or part of our franchise system and shall sign the forms and take the other action that we require in order for you to participate in such programs. Without limitation, you shall honor coupons, gift cards, gift certificates, or vouchers sold or distributed by other Stores and will utilize a vendor approved by us for gift card processing. You may not offer any coupon without our prior written approval. If you honor a gift card or other pre-paid system sold by another location, or vice versa, you and we will cooperate so that the cash received is fairly allocated to the location where that gift card or other pre-paid system is redeemed (subject to fees and charges associated with processing or administering/clearing such transactions).

9. INSURANCE

9.01 Your Required Insurance Coverage

A. Within ten (10) days following our execution of this Agreement, and thereafter at all times throughout the Term of this Agreement, you agree to purchase at your own expense, and maintain in effect at all times, the categories and amounts of insurance coverage in forms and through insurance companies satisfactory to us. You understand and agree that your Lease may require other or greater insurance coverages than those stated in this Section. Such insurance coverage must extend to and embrace your franchised Business; your franchised Store; all activities conducted in, at or from your Business and Store; all facilities which may be situated upon your Business's and Store's premises; and, all activities arising from or related to the construction, operation or occupancy of your Store and any other facilities situated on your Store's premises. Your required coverages, policy limits, limitations on deductibles and limitations on self-insured retentions are prescribed by us in our Brand Standards or otherwise in writing and, as noted below, are subject to change:

1. Broad form comprehensive general liability coverage of at least \$1,000,000 aggregate and at least \$500,000 per occurrence, such insurance to embrace (without limitation) claims for personal injury, bodily injury, and property damage. This insurance may not have a deductible or self-insured retention of over \$5,000.
2. Fire and extended coverage insurance on your Store and property in an amount adequate to replace them in case of an insured loss.
3. Business interruption insurance in sufficient amounts to cover your Store's rental expenses, maintenance of competent personnel and other fixed expenses for a minimum of 120 days.
4. If any vehicle is operated in connection with the Business, automobile liability insurance (including coverage for all owned, non-owned, leased or hired vehicles) with minimum limits of liability in the greater of (a) the greatest amount required by any applicable federal, state or local law, or (b) \$1,000,000 for each person killed or injured and, subject to that limit for each person, a total minimum of \$2,000,000, along with a minimum limit of \$3,000,000 for injury, destruction or loss of use of property of third persons as a result of any one accident.
5. Workers' compensation, employer's liability and any other employee insurance required by any applicable federal, state or local law, rule or

regulation (but in no event less than \$1,000,000 for employer's liability insurance).

6. In connection with the construction, refurbishment, renovation, remodeling or upgrading of your franchised Store, builders' and/or contractor's insurance (as applicable) and performance and completion bonds in forms and amounts acceptable to us.

7. _____ Insurance coverage of such types, nature and scope sufficient to satisfy your indemnification obligations under this Agreement.

~~7.~~ Currently we also recommend, but do not require, that you obtain employment practices liability insurance coverage in the amount of at least \$250,000.

B. The insurance coverage that you acquire and maintain under this Article 9 must:

8. Name us and the other Franchisor Parties identified in Section 8.10 as additional insureds and provide that the coverage afforded applies separately to each insured against whom a claim is brought as though a separate policy had been issued to each insured (except for workers' compensation, employer's liability and any other employee-related insurance mandated by any federal, state or local law, rule or regulation).

9. Contain no provision which in any way limits or reduces coverage for you if there is a claim by one or more of the Franchisor Parties.

10. Extend to and provide indemnity for all obligations assumed by you under this Agreement and all other items for which you are required to indemnify us under this Agreement.

11. Contain such endorsements as we may specify from time to time in the Brand Standards.

12. Be primary to and without right of contribution from any other insurance purchased by the Franchisor Parties.

13. Provide, by endorsement, that we are entitled to receive at least thirty (30) days prior written notice of any intent to reduce policy limits, restrict coverage, modify, cancel, not renew or otherwise alter or amend the policy.

14. Contain a waiver of subrogation rights against us, the other Franchisor Parties identified in Section 8.10 and any of our successors and/or assigns.

15. All public liability policies may be required by us to contain a provision that although we are named as an additional insured, we are nevertheless entitled to recover under said policies on any loss occasioned to us or the other Franchisor Parties by reason of your negligence or that of your servants, agents or employees.

C. All liability insurance you are required to maintain will insure against our vicarious or imputed liability for actual and (unless prohibited by applicable law) punitive damages assessed against you, us and/or the other Franchisor Parties.

D. You agree not to reduce the policy limits, restrict coverage, cancel or otherwise alter or amend any required insurance policy without our specific advance written consent, which may be denied for any or no reason.

E. If there is a claim by any one or more of the Franchisor Parties against you, you must, upon our request, assign to us all rights which you then have or thereafter may have with respect to the claim against the insurer(s) providing the coverages described in this Section 9.01.

F. You agree that we may periodically add to, modify, substitute or delete the types and amounts of insurance coverage which you are required to maintain under this Agreement, and all features and elements thereof, by written notice to you (through a Supplement to our Brand Standards, or otherwise). Upon delivery or attempted delivery of this written notice, you agree to immediately purchase insurance conforming to any such newly established standards and limits.

9.02 Certificates of Insurance

You agree to promptly provide us with certificates of insurance evidencing the coverages required by this Agreement at least ten (10) days prior to your commencing any of the activities or operations contemplated by this Agreement and, thereafter, at least thirty (30) days prior to the expiration of any such policy. All certificates must evidence proper coverage as required by this Agreement and the Brand Standards. Attached to each certificate shall be a copy of the endorsement amending any clause in the subject policy which relates to other insurance and confirming that all coverage is primary insurance and that our insurance (and the insurance of the other Franchisor Parties identified in Section 8.10 above) is applicable only after all limits of your policy(ies) are exhausted.

You agree to renew all insurance policies and documents and to furnish renewal certificates of insurance to us before the expiration date of the expiring policy in question. We may at any time require you to forward to us full copies of all insurance policies.

9.03 Purchase of Insurance on Your Behalf

If you fail to purchase insurance conforming to the standards and limits we prescribe, we may (but we are not required to) obtain on your behalf the insurance necessary to meet these standards, through agents and insurance companies that we choose. If we do this, then you must immediately pay the required premiums or reimburse us for the premiums we advanced and must also pay us a reasonable fee for the efforts we undertake to obtain such insurance for you. Nothing contained in this Agreement will impose any duty or obligation on us to obtain or maintain any specific forms, kinds or amounts of insurance on your behalf.

9.04 No Undertaking or Representation

Nothing in this Agreement may be considered our undertaking or representation that the insurance that you are required to obtain or that we may obtain for you will insure you against any or all insurable risks of loss which may arise out of or in connection with the operation of the franchised Business. We advise you to consult with your insurance agent and other risk advisors regarding any types, amounts or elements of insurance coverage beyond those specified herein which may be prudent to obtain.

9.05 Failure To Purchase Insurance or To Reimburse

If you fail to purchase or maintain any insurance required by this Agreement or you fail to reimburse us for our purchase of any required insurance on your behalf, your failure will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

10. ADVERTISING

10.01 Administration of the System Brand & Technology Fund

We or our designee will administer the System Brand & Technology Fund as follows:

A. As provided in Section 5.03, you agree to pay us a System Brand & Technology Fund Contribution which, combined with the contributions made by all other GolfCave franchisees, and by us or our affiliates, will constitute the System Brand & Technology Fund (or the "Fund").

B. We will direct all advertising and technology programs of the Fund, with sole control over the creative concepts, materials and media used in such programs, and the placement and allocation of Fund expenditures on advertising as well as the focus of technology expansion, expenditure and development by the Fund. You acknowledge that the Fund is intended to further general public recognition and acceptance of the Proprietary Marks, and to improve the technology used by GolfCave, all for the benefit of the System. You further acknowledge that we and our

designees undertake no obligation in administering the Fund to make expenditures for you which are equivalent or proportionate to your contributions, to ensure that any particular franchisee benefits directly or pro rata from the placement of advertising or expenditure on technology or to ensure that any advertising or technology impacts or penetrates your Store. The Fund is not a trust and we are not a fiduciary with respect to the Fund.

The Fund may be used to meet any and all costs of (a) administering, directing, preparing, placing and paying for national, regional or local advertising, and (b) researching, developing and providing upgraded or new technology for the System. The brand promotion expenditures by the Fund may include (without limitation): online advertising campaign; social media campaigns; email advertising; the creation of professional advertising templates for use in advertising targeted toward particular Stores location(s) and the areas surrounding them; television, radio, magazine, newspaper and worldwide web/internet advertising campaigns; other advertising, marketing and public relations materials; point-of-purchase materials; consumer research, interviews and related activities; the creation, maintenance and periodic modification of GolfCave's website; advertising at sports events; mailers, door hangers, freestanding inserts/coupons, brochures and sponsorships; mystery shoppers (both for the System and for competitive networks or units); celebrity endorsements; reviewing any advertising material you propose to use (as provided below); search engine optimization; establishing a third party facility for customizing local advertising materials; accounting for System Brand & Technology Fund receipts and expenditures; attendance at industry related conventions, shows or seminars; other activities that we in our business judgment believe are appropriate to enhance, promote and/or protect the System or any component thereof; and, engaging advertising agencies to assist in any or all of the foregoing activities, including fees to have print, broadcast and/or internet advertising placed by an agency, and all other advertising agency fees. The technology expenditures by the Fund may include (without limitation): software or services for database management and/or website management, customer mobile applications, online ordering apps, additional subscriptions or systems that assist franchisee operations, testing virtual instructor facilities and tools, artificial intelligence, new GolfCave equipment technology, development of software or systems for scheduling, customer interface software or new API (application programming interface), Store monitoring technology, management and auditing of Store data for consistency and compliance with Brand Standards, new payment systems; implementation of blockchain and/or cryptocurrency tools to facilitate business; payments to vendors for providing services related to technology maintenance, upgrading and system changes; data analytics; technology pilot programs; data security devices, practices, procedures, designs and consultations regarding same; data storage, backup and support; research and focus groups pertaining to relevant technology; applications for intellectual property registration and/or protection of technology that is or becomes part of the GolfCave System documentation or Brand Standards; any technological innovations, tools, consulting and processes to help facilitate, make more attractive and/or promote the business of or other upgraded or new software, hardware, services or technology products for Stores or other aspects of the System.

C. We need not maintain the sums paid by franchisees to the System Brand & Technology Fund, or income earned from the Fund, in a separate account from our other funds, but we may not use these amounts under any circumstance for any purposes other than those provided for in this Agreement. We may, however, expend monies from the System Brand & Technology Fund for any reasonable administrative costs and overhead that we may incur in activities reasonably related to the administration or direction of the Fund and advertising or technology programs for franchisees including, without limitation, administering and creating marketing content; preparing marketing and advertising materials; developing new technology; working with advertising agencies, advertising placement services and creative talent; working with technology consultants; securing intellectual property rights to technology; preparing an accounting of contributions to the System Brand & Technology Fund and the annual statement of Fund contributions and expenditures provided for below; and, otherwise devoting our personnel, resources and/or funds for the benefit of the Fund. Our right to expend monies from the Fund to reimburse us for such activities is exclusive

of any advertising agency fees which the Fund must expend to secure the services of an advertising agency or to have print, broadcast or internet advertising placed by an agency.

D. Within sixty (60) days following the close of our fiscal year, we will prepare (but not audit) a statement detailing Fund income and expenses for the fiscal year just ended, a copy of which statement will be sent to you upon request.

E. We expect to expend most contributions to the Fund for advertising during the fiscal year when the contributions are made. If not all advertising funds are spent in the fiscal year in which they accrue, we will use the remaining amount in the future for the benefit of the franchisees and the System. If franchisees request, we will provide them with an annual accounting of how advertising funds are spent, as stated in paragraph "E" immediately above.

F. We reserve the right to use any media, create any programs and allocate advertising funds to any regions or localities in any manner we consider appropriate in our business judgment. The allocation may include rebates to individual franchisees of some or all of their Fund contributions for local advertising expenditures if, in our judgment, our national or regional advertising program or campaign cannot effectively advertise or promote in certain regions or communities. If we determine that the total Fund Contributions collected from all GolfCave franchisees and company-owned Businesses is insufficient to sustain a meaningful regional or national advertising campaign, we may rebate all or a portion of the Fund contributions to franchisees and our (or our affiliates') company-owned Businesses on a pro rata basis. Franchisees must expend any rebate on the types of local advertising and media that we determine. All rebate advertising expenditures must be documented to us in a monthly rebate advertising expenditure report form which we will furnish in our Brand Standards or otherwise.

G. The Fund will not be used for any activity whose sole purpose is the sale of franchises. However, the design and maintenance of our Web site (for which Fund monies may be used) may, without violating the provisions of this Agreement, include information and solicitations for prospective franchisees and public relations and community involvement activities which may result in greater awareness of GolfCave's brand and the franchise opportunity.

H. Although the Fund is intended to be a perpetual duration, we maintain the right to terminate the Fund, but will not do so until all of the monies in the Fund have been expended for advertising and promotional purposes.

10.02 Advertising Standards You Must Comply With

You may only use advertising which we have either furnished or approved in writing in advance. You agree to conduct all advertising which uses the Proprietary Marks or refers in any way to your franchised Business in a dignified manner and in a fashion calculated to avoid fraud, illegality, deception, misrepresentation, embarrassment, shame, ridicule, disparagement or liability of any type or nature accruing to you, us, your franchised Business, the System, your Store or other GolfCave franchisees or Businesses. You agree to conform all of your advertising to the standards, specifications and requirements specified in writing by us, in our Brand Standards or otherwise.

If we learn that you have breached these requirements, we will notify you in writing and if you do not cure the breach within three (3) days following delivery of our notice, then we may terminate or remove any unauthorized advertising at your expense, and will also be entitled to terminate this Agreement unilaterally and immediately upon notice to you (which we may also do if your breach, by its nature, is incurable).

Under this Agreement, the term "advertising" is defined to mean any and all advertising, identification and promotional materials and programs of any type or nature whatsoever including any advertising on the internet/worldwide web; any advertising or promotion on social media; public relations and brand awareness programs; print and broadcast advertisements; direct mail materials; brochures; advertising specialties; electronic commerce communications and "bulletin boards"; direct mail; door hangers; freestanding inserts and coupons; sponsorships; point of sale materials; press releases;

business cards; displays; leaflets; telephone and computer greetings; messages and voice-mail/e-mail sent to or accessible by customers or other third parties; promotional material captured in any electronic medium; any advertising through any hereafter developed media, platforms, devices or modes of communication; and, any other material or communication which we denominate as "advertising" in our Brand Standards or otherwise.

You agree to submit to us for approval, before use or dissemination, copies of all proposed advertising you intend to use (except for advertising which we furnish to you under this Agreement or advertising you have previously submitted and we have approved), as well as copies of any advertising previously approved by us during the twelve (12) month period immediately preceding their proposed use. Our approval of any of your proposed advertising may be withheld for any or no reason. If we do not respond within ten (10) business days following our documented receipt of your proposed advertising material, then our approval will be deemed withheld and the proposed advertising material not approved. Our grant or denial of our approval of your proposed advertising will not give rise to any liability on our part and you will not assert claims against us to the contrary.

You must promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved, upon notice from us.

10.03 In-Store Advertising and Promotion

You must maintain and display in your franchised GolfCave Store at all times the minimum inventory of brochures, business cards, in-store flyers, for-sale T-shirts, golf balls, hats, pens, bags, and other branded merchandise (including such merchandise for sale) that we require or approve, in our Brand Standards or otherwise from time to time.

10.04 Advertising Cooperatives

You may establish, form, join, or leave an advertising cooperative if you wish from time to time. We shall not require you to do so.~~We may, from time to time, establish, change, merge or dissolve regional advertising cooperatives for a geographic area which encompasses two or more Businesses (each a "Regional Advertising Cooperative"). If we do so, we will furnish to you written notice of the establishment of any Regional Advertising Cooperative for your Store. The notice will specify the date you are to begin contributions and the amount of the contributions. Contributions will be calculated as a percentage of Gross Revenues as defined in Section 5.05 above. Your contributions to a Regional Advertising Cooperative will not be less than 1% nor more than 2% of your Gross Revenues, unless the maximum contribution is changed by franchisee Cooperative members in accordance with the terms of the Bylaws of the Cooperative.~~

~~Businesses that are owned and operated by us or an affiliate of ours and are within the geographic area of a Regional Advertising Cooperative will participate in and contribute to the Cooperative on the same basis as required of franchisee members of the Cooperative. All Regional Advertising Cooperatives will be governed by Bylaws in the form of Exhibit E, except as modified to conform with the laws of any specific jurisdiction.~~

~~The Regional Advertising Cooperative may expend its funds for any or all of the following purposes: (i) development of advertising ideas and concepts; (ii) development of market research and merchandising programs; (iii) preparation of advertising campaigns; (iv) development of promotional ideas and strategies; (v) preparation of collateral creative materials; (vi) preparation of advertisements; (vii) placing and paying for regional marketing and advertising; (viii) planning, negotiating, contracting and trafficking all media programs; (ix) employing advertising agencies to assist in these activities and securing other technical and professional advice in connection with the above; (x) other public relations; and, (xi) administration of the Cooperative, including legal and accounting services to administer the Cooperative. It will not be a requirement that expenditures made by a Regional Advertising Cooperative be proportionate to your contributions or those of any other franchisee.~~

~~Your failure to make any required payments to any Regional Advertising Cooperative will be a material breach of this Agreement which, unless cured as provided in Section 17.03, may result in this Agreement being terminated.~~

10.05 Listings and Directory Advertising

You agree to list your Business in all print and/or electronic alphabetic directories, including but not limited to Google, Yelp, and/or other online directories and similar platforms we designate (collectively, "White Pages") serving your Store. You are not required now, but we may hereafter require you,] to advertise your Business continually in all print and/or electronic classified directories ("Yellow Pages") serving your Store under headings designated by us in our Brand Standards or otherwise. We may annually furnish you with demographic information and recommendations regarding which Yellow Pages directory(ies) in your Store you should advertise in for the coming year. You agree to procure, place and pay for all of your White Pages advertising and any Yellow Pages advertising we may hereafter require. We may specify the size, style and content of your Yellow Pages advertising and may require you to utilize the services of a classified telephone directory advertising or placement agency we designate. In lieu of individualized Yellow Pages advertising for your franchised Business, we may instead require you and all other Businesses situated within a geographic area served by one or more Yellow Pages print or electronic directories (including Businesses owned or franchised by us or our affiliates) collectively to prepare, place and equally share in the cost of combined Yellow Pages advertisements featuring, and treating identically, all such Businesses.

11. RECORDS, AUDITS, REPORTING REQUIREMENTS AND PRIVACY

11.01 Financial Statements

A. No later than thirty (30) days following the end of each calendar quarter during the term of this Agreement, you agree to furnish to us, in a form we approve, a statement of the franchised Business's profit and loss for the quarter and a balance sheet as of the end of the quarter. You must certify these statements to be true and correct.

B. No later than ninety (90) days following the end of each of your fiscal years during the term of this Agreement, you agree to furnish to us, in a form we approve, a statement of the franchised Business's profit and loss for the fiscal year and a balance sheet as of the end of the fiscal year, prepared on a compilation basis and certified to be true and correct by you. We reserve the right to require these annual financial statements to be audited by an independent certified public accountant.

C. The financial statements required above must be prepared in accordance with United States generally accepted accounting principles, including all disclosures required under those principles.

D. No later than thirty (30) days following your filing of the annual tax returns of the franchised Business, you agree to furnish to us exact copies of the tax returns, including federal, state and any local income tax returns, together with a certificate from an independent certified public accountant that all Social Security payments, taxes and fees required to be paid by you to any governmental agency or entity have been paid, and that if you are a business entity, there is no reason to believe that your entity's status has been impaired.

E. You must also provide any other information that we reasonably request from time to time.

F. If you do not timely furnish to us any of the financial statements or tax returns required above in this Article 11 then you agree to pay us a late charge of \$50 per month that each financial statement or tax return is overdue. We may also in such circumstance elect to terminate this Agreement upon giving you notice and an opportunity to cure your default.

G. You authorize us to incorporate in our franchise disclosure document and/or promotional literature information derived from the above financial statements, so long as you or your Business are not individually identified.

11.02 Financial Records and Audit

A. You agree to record all Gross Revenues received by and all expenditures made by you or your franchised Business. You further agree to keep and maintain adequate records of all such Gross Revenues and expenditures and to maintain accurate books, records and tax returns, including related supporting material (such as cash receipts, and credit and charge records) for your franchised Business. We may specify, in our Brand Standards or otherwise, the forms and media that you will be required to use in recording your franchised Business' Gross Revenues and expenditures. You agree to keep and preserve for seven (7) years (or such longer period as may be required by any law, rule or regulation) the types and classes of electronic and/or other books, records and tax returns that we specify in our Brand Standards or otherwise, along with all business, personnel, financial and operating records, in any media, relating to your franchised Business. If you do not maintain the required records, this will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

B. We and/or our agents (who may be outside accountants and auditors), designees and/or employees will have the right, at any time, with or without written notice, during normal business hours, to enter your Store and any other offices at which the Business is administered, in a fashion calculated not to disrupt your Store's and Business's operations, to inspect, audit and make copies of all records including, but not limited to, the following: books of accounts; bank statements; cash or other receipts; checkbooks; documents; records; sales and income tax returns (federal, state, foreign and, if applicable, city); and, your files relating to programs, services and products sold, business transacted and expenditures relating to the Business. These files must include (without limitation) your operating records; bookkeeping and accounting records; customer lists; customer job orders; operating records; operating reports; correspondence; general business records; your copy of the Brand Standards (as amended); invoices; payroll records; journals; ledgers; files; memoranda and other correspondence; contracts; and, all sources and supporting records used to prepare the reports and forms which you are required to submit to us under this Agreement, including the books or records of any business entity which owns the franchised Business. You agree to make any of these materials available for examination at your offices. Alternatively, we may determine to conduct any such audit either at our offices or at the office of a designee of ours and, if we do, you will be required to transmit some or all of the foregoing books and records to us or our designee. In addition to the foregoing, we may require you to scan and electronically transmit to us such volume of the above-referenced records, files and documents as will not unreasonably burden the franchised Business.

C. If an audit reveals that you understated the Gross Revenues on your monthly reports to us by any amount for any month within the period of examination, or for the entire period of examination, when compared to your actual Gross Revenues, then you agree to immediately pay us the additional amount payable as shown by the audit, plus interest calculated as provided in subsection 5.06(D). If an audit reveals that you understated the Gross Revenues on your monthly reports to us by 2% or more for any month within the period of examination, or for the entire period of examination, then in addition to paying the additional amounts due and interest calculated as provided in subsection 5.06(D), you agree to immediately pay us the full cost of the audit for the entire period of examination. If an audit reveals an understatement by you of 8% or more for any month within the period of examination, or for the entire period of examination, then in addition to paying the additional amounts due, interest calculated as provided in subsection 5.06 (D) and the full cost of the audit for the entire period of examination, your understatement will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure. If our examination or an audit establishes a pattern of underreporting, we may require that the subsequent annual financial statements due under Section 11.01(B) be audited by an independent accounting firm consented to by us.

12. CONFIDENTIAL INFORMATION AND COVENANTS NOT TO COMPETE

12.01 Restriction on Use of Confidential Information

You agree to use and permit the use of our Confidential Information (as defined below) solely in connection with the operation of your franchised Store. You further agree that you will never – during the Initial Term or any Successor Term of this Agreement, or any time after this or any Successor Agreement expires or terminates, or your rights under this Agreement or any Successor Agreement are assigned or terminated – divulge or use any of our Confidential Information for the benefit of yourself, your owners (if you are a business entity) any third party (including any person, business entity or enterprise of any type or nature), nor will you directly or indirectly aid any such third party to imitate, duplicate or “reverse engineer” any of our Confidential Information.

“Confidential Information” includes (without limitation) all information, knowledge, trade secrets or know-how utilized or embraced by the System and/or imparted to you by us or any of our affiliates which concerns your or our systems of operation, programs, services, products, customers, practices, materials, books, records, manuals, computer files, databases or software; all elements of the System; all programs, products, services, equipment, technologies, policies, standards, requirements, criteria and procedures that now or in the future are a part of the System; our Brand Standards (including Supplements to the Brand Standards); all specifications, procedures, systems, techniques and activities employed by us or by you in the offer and sale of programs, products and/or services at or from your franchised Business; all pricing paradigms established by us or you; all of our and/or your sources (or prospective sources) of supply and all information pertaining to same (including wholesale pricing structures, the contents of sourcing agreements and the identity of suppliers); our specifications, and your final plans, for the construction, build out, design, renovation, décor, equipment, signage, furniture, fixtures and trade dress elements of your Store; the identify of, and all information relating to, the Computer and POS Systems hardware and software utilized by us and you, and any customizations to or customized features pertaining to same; all information pertaining to our and/or your advertising, marketing, promotion and merchandising campaigns, activities, materials, specifications and procedures; all customer lists, data and records generated and/or otherwise maintained by your franchised Business; our internet/website/social media protocols, procedures and content (including electronic data, data files, user names and passwords); our training and other instructional programs and materials; all elements of our recommended staffing, staff training and staff certification policies and procedures; all communications between us; additions or improvements to, deletions from and modifications and variations of the components of the System and the other systems and methods of operations which we employ now or in the future; research, development and test programs for products, services and operations; and, all other information, knowledge and know-how which either we or our affiliates, now or in the future, designate as confidential.

Confidential Information will not, however, include information which you can demonstrate came to your attention before we or our affiliates disclosed it to you (unless illegally or improperly procured by you before such disclosure) or which, at or after the time of disclosure, has become a part of the public domain through publication or communication by others, but not through any act of yours.

Except as authorized in this Agreement, you agree never to copy, duplicate, record or otherwise reproduce any of the Confidential Information, in whole or in part; otherwise share it with any other third-party individual or entity; store it in a computer or other electronic format; or, otherwise make it available to any third party by any other means whatsoever. Upon the expiration or termination of this Agreement, you agree to return to us such Confidential Information as we request (including customer lists and records; all training materials and other instructional content; financial and non-financial books and records; the Brand Standards; and, computer databases, software and manuals) which is then in your possession or, upon our request, destroy all or certain such Confidential Information and certify such destruction to us. It is specifically understood that all customer lists or information adduced by your franchised Business is our property, not yours, and you shall never contend otherwise.

You must only divulge such Confidential Information to your operational personnel as is necessary for each to perform his/her functions and then only on a "need to know" basis. You agree to adopt, implement and take all necessary precautions to that we prescribe from time to time to ensure that these individuals maintain the Confidential Information in confidence and comply with the confidentiality provisions of this Agreement. Your agreement to procure execution of our Confidentiality/Non-Competition Agreement from certain of your owners, management and staff is set forth below in Section 12.05.

12.02 Covenant Not to Compete

You agree that (i) at any geographic location whatsoever during the Initial Term and any Successor Term of this Agreement, and (ii) at the Store Location, within your Store, within thirty (30) miles of the perimeter of your Store or within thirty (30) miles of the perimeter, or within, the same Location of any other franchised or company-owned Business in operation or under construction (regardless of how established or operated), for a period of two (2) years immediately following the later of (a) the termination, expiration or assignment (as defined in Section 14.02 below) of this Agreement or any Successor Agreement for any reason or (b) the date on which all persons restricted by this Section 12.02 begin to comply with this Section 12.02, you will not directly or indirectly engage in, aid, assist, serve or participate in any other business or activity (a "Competitive Business") which offers or sells any of the programs, products or services which now or hereafter are authorized for sale under the System (including an indoor golf facility or Cave) or component thereof in any manner (whether a retail, wholesale supplier or otherwise); which offers or sells similar or related programs, products or services; which engages in any of the activities which this Agreement contemplates that you will engage in; or, which offers or sells any other program, product, service or component which now or in the future is part of the System, or any confusingly similar program, product or service.

You are prohibited from directly or indirectly engaging in any Competitive Business as a proprietor, partner, investor, shareholder, member, director, manager, officer, employee, principal, agent, advisor, consultant, lessor, sublessor or any similar capacity. In addition, you agree not to divert any business that should be handled by the franchised Business to any other person or entity. It is the intention of these provisions to preclude not only direct competition but also all forms of indirect competition, such as consultation for Competitive Businesses, service as an independent contractor for Competitive Businesses, or any assistance or transmission of information of any kind which would be of any assistance to a Competitive Business. Nothing in this Agreement will prevent you from owning for investment purposes only up to an aggregate of 5% of the capital stock of any Competitive Business you do not control, so long as the Competitive Business is a publicly held corporation whose stock is listed and traded on a national or regional stock exchange.

Further, during the Initial or any Successor Term of this Agreement, and for two (2) years following the termination or expiration of same for any reason, you agree not to: (i) solicit for employment or hire our management personnel, the management personnel of any of our affiliates or the management personnel of any other franchised Business without first obtaining any written permission from us and the employer(s) of the personnel in question, or (ii) sell, assign, lease, sublease or otherwise grant possession of your Store and/or Location to any individual or entity which intends to utilize same to conduct a Competitive Business thereat (and it shall be your affirmative duty in connection with any such sale, assignment or other disposition of your Store and/or Location to secure a written memorialization from the purchaser, assignee, lessee, sublessee or permittee that it has no intent to conduct a Competitive Business, as herein defined, following the subject transaction).

It is the intention of these provisions that any person or entity within a legal or beneficial interest in or traceable to, down or through you be bound by the provisions of this covenant, including (without limitation) the following if they have such an interest: your spouse, brother, brother-in-law, sister, sister-in-law, parents, parents-in-law, child, son-in-law or daughter-in-law; any direct or indirect beneficiary of yours; and, any other related person or entity, regardless of how many levels or tiers there may be between you and the person or entity.

If you are a business entity, you agree to cause your (as applicable) owners, members, shareholders, directors, officers, partners, general partner, proprietor and or any other beneficial owner to refrain from any of the competitive activities described above in any manner which we reasonably request. In all instances, you shall also cause your General Manager and all other key management employees of your Business to refrain of any of the competitive activities described above in any manner which we reasonably request. Your agreement to procure the execution of our Confidentiality/Non-Competition Agreement from certain such individuals is set forth below.

12.03 Lesser Included Covenants Enforceable At Law

If all or any portion of the covenants not to compete set forth in this Article 12 are held unreasonable, void, vague or illegal by any court or agency with competent jurisdiction over the parties and subject matter, the court or agency is hereby empowered to revise and/or construe the covenants to fall within permissible legal limits, and should not by necessity invalidate the entire covenants. You expressly agree to be bound by any lesser covenants subsumed within the terms of this Article 12 as if the resulting covenants were separately stated in and made a part of this Agreement.

12.04 Enforcement of Covenants Not To Compete

You acknowledge that any violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to us for which no adequate remedy at law will be available. Accordingly, you consent to the entry of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete set forth in this Agreement. You expressly agree that any violation of the covenants not to compete will conclusively be deemed to have been accomplished by and through your unlawful use of our Confidential Information, know-how, methods and procedures. Further, you expressly agree that any claims you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of the covenants not to compete in this Agreement. You agree to pay all costs and expenses, including reasonable attorneys' and experts' fees that we incur in connection with the enforcement of the covenants not to compete set forth in this Agreement.

The covenants not to compete set forth in this Agreement are fair and reasonable, and will not impose any undue hardship on you, since you have other considerable skills, experience and education which afford you the opportunity to derive income from other endeavors. You agree that such covenants not to compete: (a) are reasonable, including, but not limited to, their term, geographical area, and scope of activity to be restrained; (b) are designed to preclude competition which would be unfair to us; and (c) do not impose a greater restraint than is necessary to protect our goodwill and other legitimate business interests.

12.05 Procurement of Additional Covenants

You agree to require and obtain the execution of our Confidentiality/Non-Competition Agreement substantially in the form of Exhibit D from all of the following persons:

1. Before employment or any promotion, your General Manager and all other managerial personnel, and each of the individual "Rangers" you employ for your Store; and,
2. If you are a business entity, and as applicable, all of your owners, equity holders, control persons, shareholders, members, partners and general partner(s); all of your officers, directors and managers; and, all persons possessing equivalent positions in any business entity which directly or indirectly owns and/or controls you. You shall procure all such Confidentiality/Non-Competition Agreements no later than ten (10) days following the Effective Date (or, if any individual or entity attains any status identified above after the Effective Date, within ten (10) days following such individual or entity's attaining such status) and shall furnish to us copies of all executed Confidentiality/Non-Competition Agreements within ten (10) days following their execution.

12.06 Your and Our Enforcement of Confidentiality/Non-Competition Agreements

You agree to vigorously and vigilantly prosecute to the fullest extent permitted by law breaches of any Confidentiality/Non-Competition Agreement executed by any of the individuals referenced in Section 12.05, and you acknowledge our right, to be exercised as we alone determine, to ourselves and enforce the terms of any such executed Confidentiality/Non-Competition Agreement. If the substantive provisions of our Confidentiality/Non-Competition Agreement have been breached by an individual employed, engaged or otherwise serving your franchised Business who has not executed a Confidentiality/Non-Competition Agreement, you must nevertheless vigorously and vigilantly prosecute such conduct to the fullest extent permitted by law.

13. CONDITIONS TO AND PROCEDURES GOVERNING SUCCESSOR FRANCHISE AGREEMENT

13.01 Conditions to Obtain a Successor Term

Your right to enter into a Successor Franchise Agreement will be conditioned on the following:

- A. You must notify us in writing no more than nine (9) months and no less than six (6) months before the expiration of the Initial Term of this Agreement of your intent to enter into a Successor Franchise Agreement;
- B. Throughout the Initial Term and at the time of entering into a Successor Term you (and your affiliates) must have performed all of your obligations and been, according to our business judgment, in compliance with the terms of this Agreement, the Brand Standards and other agreements between you (or your affiliates) and us or our affiliates;
- C. At the time of entering into a Successor Term you (and your affiliates) must be current on the payment of all monetary obligations to us, our affiliates, the lessor or sublessor of your Store and any material third party supplier of yours;
- D. Before the commencement of the applicable Successor Term, you must, at your cost and expense, refurbish, redesign and/or remodel your franchised Store as we reasonably require to meet our then current standards, requirements and specifications (including, without limitation, refurbishing, repairing or replacing all equipment, electronic cash register systems, Computer and POS Systems, signs, interior and exterior decor items, fixtures, furnishings, supplies and other products and materials required for the operation of the Store and otherwise upgrading the Store as we reasonably require to reflect our then-current System standards and the image of the System);
- E. You or your General Manager (as applicable) and any other management and staff we designate must attend and successfully complete any training that we may reasonably require, at your expense;
- F. You must pay us a Successor Franchise Fee equal to 25% of our then-current Initial Franchise Fee for similar franchised Stores;
- G. You must present evidence satisfactory to us that you will be able to renew the lease for your Store on terms acceptable both to you and us, or lease a substitute Location acceptable to and approved by us, without any interruption of business in compliance with the terms of Section 6.02; and,
- H. You (and if you are a business entity, your owners) must have signed a General Release in the form of Exhibit G. This General Release will not release us from any future claims related to any Successor Franchise Agreement but will release us, our affiliates, and our respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees, past and present, in their corporate and individual capacities from any and all claims you may

have related to this Agreement or under federal, state or local laws, rules, regulations or orders.

If you have satisfied these conditions, then we will provide you with a Successor Franchise Agreement in the manner specified in the following section.

13.02 Successor Franchise Procedures

You must exercise your conditional right to a Successor Franchise Agreement as stated in this Agreement in the following manner:

- A. You must notify us in writing no more than nine (9) months and no less than six (6) months before the expiration of the Initial Term of this Agreement of your desire to enter into a Successor Franchise Agreement.
- B. Within thirty (30) days after our receipt of your notice, we will deliver to you a copy of our then-current franchise disclosure document (if we are then legally required to do so) and a copy of our then-current franchise agreement (the "Successor Franchise Agreement") in a form ready to be executed by you (together, the "Successor Franchise Package"). You must acknowledge receipt of the Successor Franchise Package in any fashion that we reasonably specify.
- C. No sooner than fifteen (15) days, but no later than twenty-five (25) days, after you receive our Successor Franchise Package, you must execute the Renewal Franchise Agreement and return it to us.
- D. If you have exercised your conditional right to a Successor Franchise Agreement as described above and have complied with all of the procedures set forth herein, and on the date of expiration of the Initial Term you satisfy all of the conditions to qualify for a Successor Term identified in Section 13.01 of this Agreement, then we will execute the Successor Franchise Agreement previously executed by you and will, deliver one fully executed copy of your Successor Franchise Agreement to you.
- E. If you do not perform any of the acts or deliver any of the writing required herein in a timely fashion, this will be considered your conclusive election not to exercise your right to enter into a Successor Franchise Agreement and such right will then automatically lapse and expire without further notice or action by us. If this occurs, this Agreement will terminate at the end of the Initial Term, except for the post-termination and post-expiration provisions of this Agreement which by their nature are intended to survive; you will be responsible to refund to your customers any prepaid hours they have not used or otherwise settle all accounts with them promptly.
- F. **Time is of the essence with regard to this Section 13.02.**

13.03 Notice of Expiration

If applicable law requires us to give you notice of expiration of this Agreement at a specified time prior to such expiration, and we have not done so, then the term of this Agreement will be extended to the date following which our notice has been given and the legally required notice period has expired.

14. ASSIGNMENT

14.01 Assignment By Us

We have the right to assign all of our rights and privileges under this Agreement to any person or business entity. If we assign this Agreement, you expressly agree that immediately upon and following such assignment, we will no longer have any obligation - - directly, indirectly or contingently - - to perform or fulfill the duties or obligations imposed upon "Franchisor" hereunder. Moreover, to the extent that we have arranged for one or more of our affiliates to perform certain activities on our behalf and at our direction, as contemplated by this Agreement, our affiliates will similarly have no

obligation, contingent or otherwise, to continue to perform such activities following any such assignment of this Agreement by us. Instead, all such duties and obligations will be performed solely by our assignee.

You agree and affirm that we may undertake a refinancing, recapitalization, securitization, leveraged buyout or other economic or financial restructuring.

You also agree that we may purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the location of that other business' facilities, and that following such activity we may operate, franchise or license those other businesses and/or facilities under any names or marks, including the Proprietary Marks, regardless of the location of these businesses and/or facilities, which may be within the Store or immediately proximate to the Store.

We have the right to delegate the performance of any portion or all of our obligations under this Agreement to third party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Section 14.01.

14.02 Assignment By You – General

You understand and acknowledge that we have entered into this Agreement in reliance on and in consideration of your singular personal skills and qualifications (or, if you are a business entity, the personal skill and qualifications of your owners and managers), and the trust and confidence that we repose in you (or your owners and managers, if you are a business entity), and that this Agreement and the franchise conveyed hereunder is therefore personal to you and is your personal obligation. Accordingly, except as provided below, neither all nor any part of your interest in this Agreement; the franchise conveyed hereby; your rights, privileges or obligations under this Agreement; the franchised Business; your Store; the ownership of your franchised Business; your Lease or Sublease (as applicable); or, your rights to use the System, Proprietary Marks, Confidential Information and/or Brand Standards may in whole or in part be assigned, sold, transferred, pledged, encumbered, shared, sublicensed or divided, voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, in any fashion without first obtaining our written consent in accordance with this Article 14 (which consent shall not be unreasonably withheld) and without first complying with our right of first refusal pursuant to Section 14.06 below.

Any actual or attempted assignment, transfer or sale of this Agreement, the franchise conveyed hereunder, the franchised Business, your franchised Store, any ownership interest in you (if you are a business entity), any of the other interests, rights or privileges identified in the preceding paragraph, or any interest in any of these, in violation of the terms of this Article 14, will be null, void and of no effect, and will be a material and incurable breach of this Agreement which, unless we waive to the breach, will entitle us to terminate this Agreement immediately..

If you are a business entity, then for the purposes of this Agreement, "assignment" includes (without limitation) the transfer, issuance or redemption in the aggregate of more than 25% of the voting power or (as applicable) the capital stock, partnership interest, membership interest or any other species of ownership interest in you (or any lesser percentage sufficient to control your business entity or the franchised Business, as the term "control" is most broadly defined by any United States or state securities and/or corporate and/or partnership law) to any person or entity who is not (i) already a (as applicable) shareholder, member, partner or other category of owner of your franchised Business; (ii) the spouse of such individual; (iii) a trust controlled by such individual; or, (iv) a business entity owned, controlled and composed solely of such individuals in the same proportionate ownership interest as each such individual had in you before the assignment, as provided below. You agree to immediately report to us all such transfers or assignments of ownership in your business entity, even if less than 25%, in accordance with the procedure set forth in our Brand Standards or otherwise.

14.03 Assignment By You – To A Business Entity You Form

If you are an individual and would like to transfer your interest in this Agreement to a business entity you form solely for the convenience of business entity ownership, you must obtain our prior written consent. We will not unreasonably withhold consent if all of the following conditions are met:

- A. The business entity must be newly organized and duly formed, and its activities must be confined exclusively to serving as “Franchisee” under this Agreement (unless we otherwise consent in writing).
- B. You must be the sole owner of all ownership interests in the business entity and its principal officer or manager (as applicable) (or the sole owner of 75% or more of all ownership interests in the business entity, with the remaining owners being your spouse and/or adult children).
- C. If more than two individuals serve as “Franchisee” hereunder, each individual must have the same proportionate ownership interest in the business entity as he or she had in the franchised Business before the transfer.
- D. You and the business entity must execute an agreement with us under which you and the business entity agree to be jointly and severally liable for all duties, responsibilities and obligations to us under this Agreement and expressly agree to be bound by all of the terms, conditions and covenants of this Agreement. Each then-current and future owner of any interest in the business entity must agree in writing to personally guarantee the performance by the business entity of your obligations under this Agreement, and to be individually bound by all of the terms and conditions of this Agreement and any other agreements between you and us, substantially in the form of Exhibit F to this Agreement.
- E. Each present and future owner of any interest in the business entity must execute our Confidentiality/Non-Competition Agreement substantially in the form of Exhibit D to this Agreement.
- F. The name of the business entity formed by you may not include the Proprietary Mark “GOLFCAVE”, any variant thereof or any word confusingly similar thereto.
- G. Your business entity must comply in all respects with the requirements and prohibitions set forth in Section 8.17 of this Agreement (“Business Entity Requirements and Records”).

Any transfer pursuant to this Section 14.03 will not be subject to our right of first refusal below and will not require you to pay to us any transfer fee.

14.04 Assignment By You – Sale To Third Party

If we do not elect to exercise our right of first refusal (as provided in Section 14.06 below), then we will not unreasonably withhold consent to your sale, transfer or assignment of any interest in you (if you are a business entity), the franchise conveyed by this Agreement, your Business, your Store, your Lease or Sublease (as applicable) and your right to use the System, or any interest in any of these, to a third party. You agree that it will not be unreasonable for us to impose, among other requirements, the following conditions to granting consent to your proposed sale, assignment or transfer of any of the foregoing:

- A. That the proposed assignee (meaning all individuals and entities which, after the proposed sale, transfer or assignment, will be franchisees under this Agreement or under any successor agreement) applies to us for acceptance as a franchisee and demonstrates to our satisfaction that the proposed assignee (and, if it is a business entity, each and every owner and guarantor of the proposed assignee) possesses the skills, qualifications, financial condition, background and history, reputation, economic resources, education, managerial and business experience, moral character, credit rating

and ability to assume your duties and obligations under this Agreement and any successor and related agreement. You must pay the costs of any such investigation conducted by us.

- B. That, upon our request, the proposed assignee (or, if the proposed assignee is a business entity, each and every owner or guarantor of the proposed assignee) presents itself for a personal interview at our corporate office, or any other location we designate, at the date and time we reasonably request, without expense to us. We may determine to meet with the proposed assignee at his, her or its principal place of business or residence and, if we do so, you will reimburse us for all travel, lodging, meals and personal expenses related to such meeting.
- C. That the proposed assignee has the organizational, managerial and financial structure, financial resources and capital required to conduct the franchised Business in accordance with such standards and the satisfaction of such conditions as we indicate from time to time, taking into account such factors (among others) as the number of Stores and market areas involved and their geographic proximity.
- D. That the proposed assignee comply with our ownership requirements relative to the control of the proposed assignee and the franchised Business.
- E. That the proposed assignee (and, if the proposed assignee is a business entity, each and every owner or guarantor of the proposed assignee) comply with our restrictions relative to involvement in any business which competes with the franchised Business.
- F. That the proposed assignee; his, her or its proposed General Managers; and, such other post-transaction employees of the franchised Business attend and successfully complete our Initial Training Program before the assignment, and any other training that we reasonably require, at the assignee's expense (which will include our then-current training fee and the cost of the trainees' transportation, lodging, food and other living expenses). Each individual undergoing such training must first execute the Confidentiality/Non-Competition Agreement substantially in the form of Exhibit D. We may waive these requirements if the proposed assignee is one of our existing franchisees in good standing.
- G. That, if required, the lessor or sublessor of your Location consents in writing to the assignment to the proposed assignee.
- H. That, as of the date of the assignment, you have cured any existing defaults under any provisions of this Agreement or any other agreement or arrangement with us or our affiliates, and have fully satisfied in all respects all of your accrued and/or then-current monetary and other obligations to us and our affiliates (under this Agreement or otherwise), all sources of financing of your franchised Business and all material sources of supply of your franchised Business.
- I. That the assignee execute a new Franchise Agreement with us, and all other agreements required of new franchisees, in the form and on the terms and conditions we then offer to new franchisees, which terms and conditions may vary significantly from this Agreement. The assignee will not be obligated to pay another Initial Franchise Fee under the new Agreement but will be required to pay our then-current fees for furnishing our Initial Training Program and any other services we are required to furnish under the new Agreement. The term of the new Franchise Agreement will be the balance of the Term of this Agreement. The execution of the new Franchise Agreement will terminate this Agreement, except for your guarantees; any of your obligations to us or our affiliates which remain outstanding and/or unsatisfied; and, the post-termination and post-expiration provisions of this Agreement which, by their nature, are intended to survive.
- J. That the assignee has acquired, or will be able to immediately acquire following the execution of the new Franchise Agreement, all permits, licenses and other authorizations

required by any federal, state or local, rule or regulation to operate the franchised Business. If applicable law enables you to transfer or assign any of the aforementioned permits, licenses and/or authorizations which you possess to the assignee, then you agree to do so immediately following our execution of the assignee's new Franchise Agreement.

- K. Notwithstanding the foregoing, you understand and agree that you will remain fully liable and responsible for all of your obligations to us and our affiliates under this Agreement which arose in connection with the operation of your franchised Business prior to the effective date of the assignee's new Franchise Agreement (specifically including your obligation to indemnify us and the other Franchisor Parties identified in Section 8.10) and you agree to execute any and all documents we reasonably request to further evidence such liability.
- L. That if the proposed assignee is a business entity, we have the absolute right to require any owners or other parties having an interest in the proposed assignee or the Location to execute the Guarantee substantially in the form of Exhibit F.
- M. That the Total Sales Price of your sale, assignment or transfer is not so excessive, in our business judgment, that it jeopardizes the continued economic viability and future operations of the franchised Business and/or the assignee. "Total Sales Price" means all consideration of every kind paid or payable to you or any other person or entity in connection with, arising out of or relating to the assignment or transfer of the franchise, the Franchise Agreement or the franchised Business, whether money, property or other thing or service of value including consideration received for all or a part of your Business; your rights under this Agreement; contracts; goodwill; restrictive covenants; consulting arrangements; your furniture, fixtures, equipment and trade dress elements; accounts receivable; or, any other fees or arrangements or other form of consideration, whether the consideration is received in the present or promised to be given to you or any other person in the future (including the highest possible value of any contingent future consideration).
- N. That if you or your owners finance any part of the purchase price, you and/or your owners agree in writing that all of the transferee's obligations under promissory notes, loan agreements, or security interests reserved in the Store are subordinate to the assignee's obligation to pay Continuing Royalties, System Brand & Technology Contributions, and all other amounts due to us, our affiliates, and third party vendors and otherwise to comply with this Agreement.
- O. That you and, if you are a business entity, each of your owners and guarantors, and the assignee (and if the assignee is a business entity, each of each owners and guarantors) execute a general release substantially in the form of Exhibit H of any and all claims, demands and causes of action which you, such owners or the assignee and its owners may or might have against us and/or any of the Franchisor Parties through the date of execution of the assignee's new Franchise Agreement.
- P. That if the assignee is a business entity, all of the requirements of its new Franchise Agreement concerning business entities must be complied with before we will execute the new Franchise Agreement and, as applicable, will continue to be complied with thereafter.
- Q. That you furnish us with a copy of any proposed contract of assignment (and any related agreements) and, promptly following execution, furnish to us a copy of the executed contract of assignment (and any related agreements).
- R. That you have corrected any existing deficiencies of the Store of which we have notified you.

- S. That upon our request, either you and/or the proposed assignee, at your/its own expense, renovate, remodel and upgrade your Store to conform to our then-current standards and specifications for System Stores in the United States and complete such modifications, at our election, either prior to the contemplated assignment or such later time reasonably specified by us.
- T. That you pay us a transfer fee equal to 25% of our then-current initial franchise fee we charge with respect to similarly situated franchised Stores, or such greater amount as may be necessary to reimburse us for our legal, accounting and other expenses incurred in connection with your assignment.
- U. That neither the proposed assignee nor any of its owners or affiliates directly or indirectly owns, operates or has any interest in, or has a material business relationship with, a Competitive Business (as denominated in Section 12.02 above) of us or any of our affiliates.

You expressly agree that your obligations to indemnify and hold harmless us and the other Franchisor Parties under Section 8.10 of this Agreement extends to and embraces liabilities arising from or relating to, directly or indirectly, any statements, representations or warranties that you may give to or receive from any proposed assignee and/or any claim that you (and, if you are a business entity, your owners, General Manager, management or employees) or your assignee engaged in fraud, deceit, violation of franchise laws or other illegality in connection with the negotiation or consummation of the assignment. As with all other indemnification obligations set forth in this Agreement, this specific indemnification obligation will survive the termination or expiration of this Agreement.

You further understand and agree that our approval of any assignment transaction will not constitute our waiver of any claims against you by us or our affiliates, under this Agreement or otherwise.

You further understand and agree that our consent to an assignment of this Agreement and the Store, or any interest in you or your owners, is not a representation of the fairness of the terms of any contract between you and the assignee, a guarantee of the Store's or assignee's prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand the assignee's full compliance with this Agreement.

The provisions of Section 14.02 through Section 14.04 inclusive pertain to any lease, management agreement or other agreement which would have the effect of transferring any material asset or control of all or any part of the operations of your franchised Business to any third party. Any such agreement must first be approved by us in writing. We will not unreasonably withhold our approval, but our approval may be denied if such agreement is on terms materially different from those which would result from arms-length negotiations or if we determine that the fees payable under such agreement are excessive. Any such agreement and any party thereto who, as a result of the agreement, may directly or indirectly be involved in the ownership of the assets or operations of the franchised Business must meet such standards and conditions as we have put in place at the time you request our consent.

14.05 Assignment By You – Transfer Upon Death or Disability

If you are a business entity, then upon the death or disability of one or more of your owners (but not the last surviving owner of your business entity, which is addressed in the following paragraph), then the estate, heirs, legatees, guardians or representatives of such owner may freely sell, assign or transfer the deceased's or disabled's interest in this Agreement and/or its interest in the franchised Business to any of the following: (i) the spouse of such individual; (ii) any individual or entity which, at the time of the subject death or disability, is already a (as applicable) shareholder, member, partner or other category of owner of your franchised Business; or, (iii) the franchised Business itself. Any other sale, transfer or assignment of the deceased's or disabled's interest in you or your franchised Business shall be subject to all of the provisions of Section 14.04 of this Agreement ("Assignment By You - - Sale To A Third Party"). You agree to immediately report to us all such transfers or

assignments of ownership in your business entity in accordance with the procedure set forth in our Brand Standards or otherwise.

Upon your death or disability (if you are an individual), or the death or disability of your last surviving owner (if you are a business entity), that person's rights will pass to his or her estate, heirs, legatees, guardians or representatives, as appropriate (collectively, the "Estate").

The Estate shall have a reasonable period of time (not to exceed six (6) months) following the death or disability to sell (as applicable) Franchisee or the franchised Business in accordance with the provisions of Section 14.04 and subject to our right of first refusal under Section 14.06. Until such sale, transfer or assignment is consummated, the Estate may continue the operation of your franchised Business but only if, at all times, one or more approved General Manager, as necessary, of your franchised Business is at all times supervising the operation of your Business and, further, only if all other terms and provisions of this Agreement are complied with. Failure to comply with one of the above alternatives will be a material breach of this Agreement which, unless cured by the Estate, will result in this Agreement being terminated immediately upon notice.

If at any time following your death or disability (if you are an individual), or the death or disability of your last surviving owner (if you are a business entity), the Estate fails to have an approved General Manager, as necessary, supervising the operation of your franchised Business on a full time basis, and a designated Managing Owner, then until the Estate retains one or more approved General Manager and Managing Owner, as necessary, we may assume (or appoint a third party to assume) full control of and operate your franchised Business, but will have no obligation to do so. If we do so, then during this period, we will deduct our (or the third party's) expenses for travel, lodging, meals and all other expenses and fees from your franchised Business' Gross Revenues and also pay ourselves (or the third party) a management fee equal to the greater of: (i) two times the salary paid to the individual(s) assigned by us to operate the Business, or (ii) 10% of the Business's monthly Gross Revenues. This management fee will be in addition to the Continuing Royalties and any other fees due us under this Agreement. We will then remit any remaining funds to the Estate. The Estate and any Guarantor of this Agreement must pay us any deficiency in sums due to us under this Agreement within ten (10) days of our notifying the Estate and such Guarantor of the deficiency. We will not be obligated to operate your Business. If we do so (or appoint a third party to do so), neither we nor the third party will be responsible for any operational losses of the Business, nor will we or the third party be obligated to continue operating the Business. We (or such third party) shall have a duty to utilize only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations the Store incurs, or to any of your creditors for any products, other assets, or services the Store purchases, while we (or a third party) manage it.

"Disability" means any physical, emotional or mental injury, illness or incapacity which prevents or will prevent a person from performing the obligations set forth in this Agreement for at least ninety (90) consecutive days. Disability will be determined either after this ninety (90) day period or, if we elect, at an earlier time following an examination of the person by a licensed practicing physician selected and paid for by us. If the person refuses to submit to an examination, then the person will automatically be considered permanently disabled as of the date of the refusal.

14.06 Right of First Refusal

Your rights to assign, transfer, redeem or sell any interest in this Agreement or the franchised Business, voluntarily or by operation of law (as provided above), will be subject to our right of first refusal (except in those instances specified above where no such right will pertain), which right of first refusal we may freely assign to any individual or entity. We will exercise our right of first refusal in the following manner.

- A. You must deliver to us a true and complete copy of the proposed assignee's offer (the "notice") including all its terms and furnish to us any additional information concerning the proposed transaction and the proposed assignee that we reasonably request. Your submission of such information must be accompanied by the seller's representation and warranty that all of the information submitted to us is true, accurate, complete and correct

in all respects and, if the seller is a business entity, you must also furnish us with an appropriate resolution of the business entity's governing body authorizing the proposed sale.

- B. We shall have sixty (60) days following our receipt of the notice (or, if we request additional information, sixty (60) days following our receipt of the additional information) to conduct due diligence into the transaction. Our due diligence will be of the type, nature and scope customary for transactions similar to the proposed transaction at issue and, in connection with our due diligence, you agree to make available to us immediately upon demand all information, data, books, or written or electronic records which we may reasonably request and, as well, shall make available to us for inquiry each owner and Guarantor of your franchised Business, the General Manager of your Business and any other personnel we specify. As well, all of the requirements of your proposed assignee specified above in Section 14.04 of this Agreement must be complied with.
- C. Within sixty (60) days after our receipt of your notice (or, if we request additional information, within sixty (60) days after receipt of the additional information), we may either consent or withhold our consent to the assignment or redemption, in accordance with this Article, or at our option accept the assignment to ourselves or to our designee, on the terms and conditions specified in your notice. If we or our designee accept the assignment, we will be entitled to all of the customary representations and warranties given by the seller of assets of a business, including (without limitation) representations and warranties as to ownership, condition of and title to assets, liens and encumbrances on the assets, validity of contracts and agreements, and your contingent and other liabilities affecting the assets. Any dispute regarding the value of all or any part of the assets or rights proposed to be assigned and/or the consideration proposed to be paid or payable to you or any third party in connection with the proposed assignment shall be determined by a reputable independent appraiser we select, and you and we equally share the expense of, whose determination will be final and binding on us. You expressly understand and agree that nothing in the offer which is the subject of your notice to us may contain any provision or condition the effect of which would be to increase the cost to us, or otherwise change the economic or other terms imposed on us, as a result of our substitution for the offeror, or as a consequence of compliance with the procedures set forth herein regarding our right of first refusal.
- D. If you are a business entity and a partial transfer is proposed through the assignment or redemption of more than 25% of your entity's ownership interests other than to any of your entity's co-owners, then we or our designee will have the option to purchase not only the interests being transferred but also all remaining interests, so that our resulting ownership will be 100% of your business entity. The price of these remaining interests will be proportionate to the price of the interests initially being offered.
- E. Our credit will be considered at least equal to the credit of any proposed purchaser. We may substitute cash for the fair market value of any other form of payment proposed in the offer.
- F. If we give notice of our exercise of our right of first refusal, closing on our purchase must occur within the later of: (i) sixty (60) days following your receipt of our notice to you; (ii) the closing period (if any) specified in the subject offer; or, (iii) such longer period as may be necessary to conduct the due diligence provided for above.
- G. If we give notice of our exercise of our right of first refusal, you agree to take all action necessary to assign your Lease with the lessor of your Location to us.
- H. If we elect not to exercise our right of first refusal and we consent to the proposed assignment or redemption, then you will, subject to the provisions of this Article, be free to assign this Agreement or the franchised Business to your proposed assignee on the

terms and conditions specified in the notice if you satisfy the conditions of Section 14.04 for our approval of an assignment and if you close the transaction within sixty (60) days (or such further time as may be stipulated by law, rule or regulation). If, however, the terms specified in your notice are changed, the changed terms will be considered a new offer, and we will have an identical right of first refusal with respect to this new offer. Further, if you fail to close the assignment transaction within sixty (60) days (or such further period of time as may be stipulated by applicable law, rule or regulation), then our right of first refusal hereunder shall be restored and we may elect to exercise same within thirty (30) days thereafter.

- I. Our election not to exercise our right of first refusal with respect to any offer will not affect our right of first refusal with respect to any later or modified offer. If we do not exercise our right of first refusal, this will not constitute approval of the proposed transferee, assignee, redemption or the transaction itself. You and any proposed assignee must comply with all the criteria and procedures for assignment of the franchise, the Franchise Agreement and/or the franchised Business specified in this Article 14.

If we exercise our right of first refusal, you and your selling owner(s) agree that, for two (2) years beginning on the closing date, you and they will be bound by the non-competition covenant contained in Section 12.02 above. We have the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section.

14.07 Security Interest

Without our prior written consent (which will not be unreasonably withheld, delayed or denied), you may not pledge, encumber, mortgage, hypothecate or otherwise grant any third party a security interest in this Agreement, the franchised Business, your Store, any ownership interests in you (if you are a business entity), any ownership interests in any business entity which directly or indirectly controls you, your Lease or Sublease (as applicable) or any of the tangible assets material to the operation of your franchised Business (including, without limitation, the premises of your franchised Business and your Location). We may require your compliance with any policy statement which we adopt and announce regarding such security interests. We reserve the right to review and approve the terms of any security agreement or other document granting a security interest in any of the assets or interests described in this Section 14.07, which approval shall be in writing.

14.08 Your Offer and Sale of Securities

If you are a business entity and intend to offer and sell securities of any type or nature or other ownership interests in you, the franchised Business, any owner and/or any Guarantor, then you must give us written notice at least sixty (sixty) days prior to the date of commencement of any such offering. Any such offering shall be subject to our right of first refusal, as set forth above in Section 14.06, and shall comply with any written policies adopted and announced by us from time to time.

You must submit to us for our review and consent, at least thirty (30) days prior to your filing them with any government agency, any and all materials required by federal and/or state law for any direct or indirect offer or sale of securities or other ownership interests. If your offering of securities or other ownership interests will be exempt from federal and/or state filing requirements, then any materials you will use in any such exempt offering shall be submitted to us for our review and consent at least thirty (30) days prior to their use. Our review of your offering materials and information included therein will be conducted solely for our benefit and not for the benefit or protection of any other person. All of your offering materials and documents must include legends and statements as we may specify, including legends and statements which disclaim our liability for, or involvement in, your offer and sale of securities or other ownership interests, and must advise all offerees that our review of your offering materials must not be deemed in any fashion our approval, endorsement, acceptance or adoption of any representation, warranty, covenant or projection contained in those materials.

Your offer and sale of securities and other ownership interests is specifically embraced by your indemnification of us and the other Franchisor Parties identified in Section 8.10 of this Agreement. Any other participant in your offer of securities or other ownership interests must agree to fully indemnify us in a parallel fashion in that form which we prescribe.

You must pay us a non-refundable fee of \$10,000 or such greater amount as may be necessary to reimburse us for our reasonable costs and expenses in reviewing your proposed offering, including, without limitation, legal and accounting fees.

14.09 Bankruptcy

If you, your franchised Business or any owner of you and/or your franchised Business is the subject of any voluntary or involuntary proceeding under the U.S. Bankruptcy Code, as amended, and if this Agreement does not terminate as provided in Section 17.01 below, but, instead, is to be assumed by, or assigned to, a third party individual or entity which has made a *bona fide* offer to accept an assignment of this Agreement as contemplated by the U.S. Bankruptcy Code, then you must notify us of any such proposed assignment or assumption within five (5) days after your receipt of such proposed assignee's offer to accept assignment or to assume your rights and obligations under this Agreement. Such notice must be given to us, in any event, no later than ten (10) days prior to the date application is made to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption.

The notice required above must contain the following: (i) the name and address of the proposed assignee; (ii) all of the terms and conditions of the proposed assignment and assumption; and, (iii) adequate assurance to be provided to us to assure the proposed assignee's future performance (as defined below) under this Agreement, including (without limitation) the assurance referred to in Section 365 of the U.S. Bankruptcy Code and the satisfaction of the preconditions to assignment set forth in Section 14.04 of this Agreement.

We will then have the prior right and option, to be exercised by notice given at any time prior to the effective date of the proposed assignment and assumption, to accept an assignment of this Agreement to ourselves, our affiliate or another franchisee, upon the same terms and conditions, and for the same consideration (if any), as in the *bona fide* offer made by the proposed assignee, less any brokerage commissions or other expenses which may be saved by you as a result of our exercise of the rights and options granted to us herein. Under no circumstance shall we be liable for the payment of any brokerage commissions or other expenses as a result of our exercise of our rights and options hereunder unless we otherwise agree in writing.

"Adequate assurance of future performance", as used above, shall mean that we shall have been furnished with specific evidence that any proposed assignee of this Agreement can and will comply with all operational and other performance requirements, and with all conditions, obligations, duties, covenants and requirements of a franchisee under: (i) this Agreement; (ii) the standard form Franchise Agreement then being offered to our franchisees; (iii) such other ancillary agreements as we may require; and (iv) any of our policies describing our franchisees' duties, obligations, conditions, covenants or performance requirements. You understand and agree that adequate assurance of future performance shall mean that any proposed assignee must satisfy the conditions set forth in Section 14.04 above.

14.10 No Waiver of our Rights

Our consent to any sale, transfer or assignment under this Article 14 shall not constitute a waiver of any claims we may have against you, your franchised Business, any of your owners and/or any Guarantor, nor shall our consent be deemed a waiver of our right to require exact compliance with any of the terms of this Agreement by any assignee.

15. PROPRIETARY MARKS

15.01 Our Ownership of Proprietary Marks

You agree that the Proprietary Marks are our (or our affiliates') exclusive property. You assert and will in the future assert no claim to any goodwill, reputation or ownership of the Proprietary Marks by virtue of your licensed use of the Proprietary Marks, or for any other reason. You agree that you will not do or permit any act or thing to be done in derogation of any of our rights or the rights of our affiliates in connection with the Proprietary Marks, either during or after the term of this Agreement. You agree not to apply for or obtain any trademark or service mark registration of any of the Proprietary Marks or any confusingly similar marks in your own name. You agree to use the Proprietary Marks only for the uses and in the manner licensed under this Agreement and as provided in this Agreement. If you are a business entity, then you agree that under no circumstance will you incorporate any of the Proprietary Marks, any portion thereof or any name or mark derivative of or similar to the Proprietary Marks, in your business entity's name. You may never use the Proprietary Marks in connection with any other business except for the franchised Business. You agree that you will not, during or after the Term of this Agreement, impair the goodwill associated with the Proprietary Marks or in any way dispute or impugn the validity of the Proprietary Marks, our rights (or those of our affiliates) to the Proprietary Marks, or the rights of us, our affiliates, other franchisees of ours or other third parties to whom we may have licensed the Proprietary Marks.

You acknowledge that our rights in the Proprietary Marks are not limited to the specific presentation or configuration of any of them, but rather extend to all combinations and displays of the words and/or design elements thereof and extend to all translations of them in any language. Further, you acknowledge and agree that our and our affiliates' rights in and to the Proprietary Marks are not limited to such rights as may be conferred by registrations thereof or by applications for registrations but, instead, include extensive common law and other rights in the Proprietary Marks vested in us as a result of their use by us, our affiliates and other authorized parties.

15.02 Limitations on Your License to Use the Proprietary Marks

Nothing in this Agreement will give you any right, title or interest in or to any of our (or our affiliates') Proprietary Marks except as a mere privilege and license, during the term of this Agreement, to display and use the Proprietary Marks according to the limitations set forth in this Agreement, in our Brand Standards or in other written notices to you. You understand and agree that your limited license to use the Proprietary Marks granted by this Agreement applies only to the Proprietary Marks shown on Exhibit B (if we do not subsequently designate them as being withdrawn from use), together with those which we may later designate in the Brand Standards or otherwise in writing. In all instances your use of the Proprietary Marks must comply with our directions, limitations, specifications and authorized prescribed uses. You expressly understand and agree that you are bound not to represent in any manner that you have acquired, and you will not assert any claim to, any ownership, goodwill, reputation or equitable rights in any of our Proprietary Marks by virtue of the limited license granted under this Agreement, by virtue of your use of any of the Proprietary Marks or otherwise. All of your uses of the Proprietary Marks, whether as a trademark, service mark, trade name or trade style, will inure to our benefit. Following the expiration or termination of this Agreement, no monetary amount will be attributable to any goodwill associated with your use of the Proprietary Marks or operation of the franchised Business or your Store, including any "local goodwill", which, you expressly agree, exclusively vests in us.

15.03 Use and Display of Proprietary Marks

A. You must not use, and must not permit or cause another to use, the Proprietary Marks except in the manner and to the extent specifically licensed to you under this Agreement. You agree that each use you make of any Proprietary Mark will accurately portray the Mark and that the Mark will not be used or portrayed in a manner which jeopardizes the goodwill associated with the Mark or the System. You agree to use the Proprietary Marks in full compliance with rules we prescribe from time to time in our Brand Standards or otherwise. You are prohibited (except as expressly provided in this Agreement) from using any Proprietary Mark with any prefix, suffix, or other modifying words, terms, designs or symbols (other than logos licensed by us to you). You may not use any

Proprietary Mark in connection with the sale of any unauthorized service, product or program or in any other manner not explicitly authorized in writing by us. You may use the Proprietary Marks only for the operation of the franchised Business or in permitted advertising for the franchised Business. Your right to use the Proprietary Marks is limited to the uses authorized under this Agreement. Any unauthorized use of the Proprietary Marks by you will constitute an infringement of our rights and a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

B. You may not use the Proprietary Marks in any way which will incur any obligation or indebtedness on our behalf. You agree to comply with this Agreement's and our Brand Standards' instructions in filing and maintaining all requisite trade name or fictitious name registrations, and in executing any documents considered necessary by us or our counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability.

C. You agree to affix our Proprietary Marks on the facilities of your franchised Business, including your Store, your franchised Business's point-of-sale materials, signs, stationery, advertising, sales, marketing and promotional materials and other objects in the size, color, lettering style and fashion and at the places which we designate in our Brand Standards or otherwise. You also agree to display the Proprietary Marks and relevant trademark and copyright notices pursuant to the requirements set forth in the Brand Standards. No trademarks, logotypes, names, symbols or service marks other than the Proprietary Marks may be used by or in connection with your franchised Business in any fashion whatsoever except as we may expressly provide in our Brand Standards or as we may approve in writing.

15.04 Required Means of Identification; Non-Use of Trade Name

You must operate and advertise your franchised business under the assumed business name "GolfCave," without prefix or suffix. You agree, at your expense, to perform all filings and procure all required or necessary government approvals or registrations required to do business under that assumed business name; to comply with any instructions we give you regarding the filing or maintenance of any trade name or fictitious business name registrations; to execute any documents we or our counsel deem necessary to protect the Proprietary Marks to maintain their continued validity and enforceability; and, upon request, to furnish to us copies of all such filings, approvals and registrations. You must never identify yourself as an agent of ours. You must conspicuously identify yourself, your franchised Business and your Store as an independently owned and operated franchised business in all dealings with your customers, contractors, suppliers, public officials and members of the public, and in all advertising, promotion and marketing related to your Business. You agree to place this notice of independent ownership in your Store and any other facilities of your franchised Business and on printed materials, business cards, stationery, marketing and advertising materials, signs and other written or electronic modes in the form, size and manner we specify in our Brand Standards or otherwise and in such fashion as we require from time to time.

If you are a business entity, you may not use our Proprietary Marks, any portion or segment of our Proprietary Marks or any confusingly similar words or symbols in your business entity's name. In particular, you may not use the words "GolfCave," "Golf Cave," or any segment or variant thereof as part of your business entity's name.

You shall require all of your advertising, promotional materials, signs, decorations, paper goods (including all forms and stationery used in or by your franchised Business), and all other items we may designate, to feature and bear the Proprietary Marks in the form, color, location and manner we prescribe.

15.05 Our Defense of Proprietary Marks and Copyrights

If you receive notice, are informed of or learn of any claim, suit or demand against you on account of any alleged infringement, unfair competition, or similar matter relating to your use of the Proprietary Marks or any of our copyrights (each, a "claim"), you agree to promptly notify us. We will then promptly take any action we may consider necessary to protect and defend you against the claim, so long as the claim is based solely on any alleged infringement, unfair competition, or similar

matter relating to your use of the Proprietary Marks or copyrights. You may not settle or compromise any claim of a third party without our prior written consent. We will have the right to defend, compromise and settle the claim at our sole cost and expense, using our own counsel. You agree to cooperate fully with us in connection with the defense of the claim and to execute any and all documents, and do any and all things, as our counsel deems necessary, including (but not limited to) becoming a nominal party to any legal action. If you do so, then we shall reimburse you for your out-of-pocket costs in doing such acts and things, but you will bear the salary costs of your employees and we will bear the costs of any judgment or settlement. You grant irrevocable authority to us, and appoint us as your attorney in fact, to defend and/or settle all claims of this type. You may participate at your own expense in the defense or settlement, but our decisions with regard to the defense or settlement will be final.

We will have no obligation to you under this Section 15.05 if the claim arises out of or relates to your use of any of the Proprietary Marks and/or our copyrights in violation of the terms of this Agreement and/or the Brand Standards.

15.06 Prosecution of Infringers

If you receive notice or are informed or learn that any third party which you believe is not authorized to use the Proprietary Marks is using the Proprietary Marks or any variant of the Proprietary Marks, you agree to promptly notify us. We will then determine whether or not we wish to take any action against the third party on account of the alleged infringement of our Proprietary Marks. You will have no right to make any demand or to prosecute any infringement claim. If we undertake an action against an infringing party, you must execute any and all documents and do such acts and things as, in our counsel's opinion, are necessary including (but not limited to) becoming a nominal party to any legal action. Unless the litigation is the result of your improper use of the Proprietary Marks, we shall reimburse you for your out-of-pocket costs in doing such acts and things, but you will bear the salary costs of your employees.

15.07 Discontinuance or Substitution of Proprietary Marks

If now or hereafter one or more of the Proprietary Marks can no longer be used, or if we in our sole business judgment determine to adopt and use one or more additional or substitute Proprietary Marks, then you agree to promptly comply with any of our directions or instructions to modify or discontinue use of any Proprietary Mark and/or adopt and use one or more additional substitute Proprietary Marks. We shall have no obligation to reimburse you for any expenditures you make to comply with such instructions or directions. Nor will we be liable to you for any other expenses, losses or damages sustained by you or your franchised Business as a result of any Proprietary Mark addition, modification, substitution or discontinuation.

16. RELATIONSHIP OF THE PARTIES

16.01 Relationship of the Parties

You understand and agree that you are and will be our independent contractor under this Agreement. Nothing in this Agreement may be construed to create a partnership, joint venture, agency, employment or fiduciary relationship of any kind. None of your employees will be considered to be our employees. Neither you nor any of your employees whose compensation you pay may in any way, directly or indirectly, expressly or by implication, be construed to be our employee for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. We will not have the power to hire or fire your employees. You must communicate to all employees that you, not us, are their employer; and you must ensure that no payroll checks or other employment-related documents (such as job applications and W-2s) contain or reference the Marks or our name. Each of the parties will file its own tax, regulatory, and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof. You expressly agree, and will never contend otherwise, that our authority under this Agreement to certify certain of your

employees for qualification to perform certain functions for your franchised Business does not directly or indirectly vest in us the power to hire, fire or control any such employee.

You acknowledge and agree, and will never contend otherwise, that you alone will exercise day-to-day control over all operations, activities and elements of your franchised Business and that under no circumstance shall we do so or be deemed to do so. You further acknowledge and agree, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the System which you are required to comply with under this Agreement, whether set forth in our Brand Standards or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your franchised Business, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of your franchised Business.

You may not, without our prior written approval, have any power to obligate us for any expenses, liabilities or other obligations, other than as specifically provided in this Agreement. Except as expressly provided in this Agreement, we may not control or have access to your funds or the expenditure of your funds or in any other way exercise dominion or control over your Business. Except as otherwise expressly authorized by this agreement, neither party will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between us and you is other than that of franchisor and franchisee. We do not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement.

You promise that you will not avail yourself of any rights or remedies at law or in equity that may arise from an assertion that: (i) you are our agent, legal representative, subsidiary, joint venturer, partner, employee, or servant; or (ii) we are a joint employer for your employees. If such a claim is brought against us, we may use your covenant in this Section 16.01 as an absolute defense against such claim. Further, if any such claim is brought against us or our affiliates and subsidiaries, and their respective current and former officers, directors, shareholders, partners, employees, predecessors, successors, attorneys, agents, representatives, and assigns, you will indemnify, defend, and hold harmless any such party from and against any such claim.

16.02 Franchisee is the Sole and Exclusive Employer of its Employees

Franchisee hereby irrevocably affirms, attests and covenants its understanding that in no fashion is Franchisee, or may Franchisee be deemed to be, Franchisor's employee (under any theory or definition of "employee" or "employment") and that Franchisee's employees are employed exclusively by Franchisee and in no fashion is Franchisee or any such employee either employed, jointly employed or co-employed by Franchisor. Franchisee further affirms and attests that each of its employees is under the exclusive dominion and control of Franchisee and never under the direct or indirect control of Franchisor in any fashion whatsoever. Franchisee alone hires each of its employees; sets their schedules; establishes their compensation rates; and, pays all salaries, benefits and employment-related liabilities (workers' compensation insurance premiums/payroll taxes/Social Security contributions/Affordable Care Act contributions/unemployment insurance premiums). Franchisee alone has the ability to discipline or terminate its employees to the exclusion of Franchisor, which has no such authority or ability. Franchisee further attests and affirms that any minimum staffing requirements established by Franchisor are solely for the purpose of ensuring that Franchisee's Store is at all times staffed at those levels necessary to operate Franchisee's Store in conformity with the System and the products, services, standards of quality and efficiency, and other GolfCave brand attributes known to and desired by the consuming public and associated with the Proprietary Marks. Franchisee affirms, warrants and understands that it may staff its Store with as many employees as it desires at any time so long as Franchisor's minimal staffing levels are achieved. Franchisee also affirms and attests that any recommendations it may receive from Franchisor regarding salaries, hourly wages or other compensation for employees are recommendations only, designed to assist it to efficiently operate its Store, and that Franchisee is

entirely free to disregard Franchisor's recommendations regarding such employee compensation. Moreover, Franchisee affirms and attests that any training provided by Franchisor for Franchisee's employees is geared to impart to those employees, with ultimate authority, the various procedures, protocols, systems and operations of a franchised Store and in no fashion reflects any employment relationship between Franchisor and such employees. Finally, should it ever be asserted that Franchisor is the employer, joint employer or co-employer of Franchisee or any of Franchisee's employees in any private or government investigation, action, proceeding, arbitration or other setting, Franchisee irrevocably agrees to assist Franchisor in defending said allegation, including (if necessary) appearing at any venue requested by Franchisor to testify on Franchisor's behalf (and, as may be necessary, submitting itself to depositions, other appearances and/or preparing affidavits dismissive of any allegation that Franchisor is the employer, joint employer or co-employer of Franchisee or any of Franchisee's employees). To the extent Franchisor is the only named party in any such investigation, action, proceeding, arbitration or other setting to the exclusion of Franchisee, then should any such appearance by Franchisee be required or requested by Franchisor, Franchisor will recompense Franchisee the reasonable costs associated with Franchisee appearing at any such venue (including travel, lodging, meals and *per diem* salary).

17. DEFAULT AND TERMINATION

17.01 Termination By Us – Automatic Termination Without Notice

You will be in default of this Agreement, and all rights granted in this Agreement will immediately and automatically terminate and revert to us without notice to you, if: you become insolvent; you, the franchised Business, or any affiliate or Guarantor thereof is adjudicated as bankrupt or insolvent; all or a substantial portion of the assets of your franchised Business are assigned to or for the benefit of any creditor or creditors; a petition in bankruptcy is filed by or against you, the franchised Business or any affiliate or Guarantor thereof and is not immediately contested and thereafter dismissed or vacated within sixty (60) days from filing; you admit in writing your inability to pay your debts when due; you, the franchised Business and any affiliate or Guarantor thereof cause, permit or acquiesce in an order for relief under the U.S. Bankruptcy Code or any other applicable federal or state bankruptcy, insolvency, reorganization, receivership or other similar law now or hereafter in effect, or consent to the entry for an order for relief in an involuntary proceeding or to the conversion of an involuntary proceeding to a voluntary proceeding, under any such law; a bill in equity or other proceeding for the appointment of a receiver or other custodian of you, the franchised Business, or any affiliate or Guarantor of the franchised Business, or the assets of any of them, is filed and consented to by you; a receiver or other custodian (permanent or temporary) of all or part of the assets or property of you, the franchised Business and any affiliate or Guarantor of the franchised Business is appointed by any court of competent jurisdiction; proceedings for a composition with creditors under any federal or state law are instituted by or against you, the franchised Business or any affiliate or Guarantor thereof; you, any affiliate or yours and any Guarantor are dissolved or liquidated; execution is levied against you, the franchised Business, any affiliate or Guarantor thereof and/or the property of any of the foregoing; the property of the franchised Business or your Store is sold after levy thereon by any governmental body or agency, sheriff, marshal or other person authorized under federal, state and/or local law; a final court judgment against you remains unsatisfied or of record for thirty (30) days or longer (unless supersede as bond is filed); a judicial or non-judicial action to foreclose any lien or mortgage against any of your System Store premises or equipment is instituted against you and is not dismissed or settled by the earlier of (i) thirty (30) days from commencement or (ii) consummation of such sale; or, if you are a business entity, your governing body adopts any resolution or otherwise authorizes action to approve any of the foregoing activities.

17.02 Termination By Us Upon Notice – No Opportunity To Cure

You will have materially breached this Agreement and, in addition to all other remedies we have at law or in equity, we may, at our option, terminate this Agreement and all rights granted under this Agreement, without giving you any opportunity to cure the breach, effective immediately upon your

receipt of notice (which, whether sent by overnight courier, personal physical delivery or any other manner authorized by Section 26.01 below, will be deemed to have been received by you upon delivery or first attempted delivery of the notice to you) upon the occurrence of any of the following events:

1. You do not open your Store for business to the general public by the date specified in Section 8.01 of this Agreement; cease operating the franchised Business; abandon the franchise relationship established under this Agreement; or, fail to operate your Store for three (3) consecutive days during which you are required to operate it under this Agreement, unless your failure to operate is due to force majeure (as defined in Section 20.01 of this Agreement).
2. You omitted or misrepresented any material fact in the information that you furnished to us in connection with our decision to enter into this Agreement.
3. We and you agree in writing to terminate this Agreement.
4. You lose the right to possession of the Location.
5. You, your General Manager and/or, if you are a business entity, any owner, member, shareholder, director or manager (as applicable) of such entity is convicted of a felony, fraud, crime involving moral turpitude, or any other crime or offense which we reasonably believe is related to your operation of the franchised Business, or is likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated with the Proprietary Marks or our interest in the System or Proprietary Marks.
6. You purport or, if you are a business entity, any owner or principal of you purports to transfer any rights or obligations under this Agreement, any interest in you, the franchised Business or your Store to any third party in violation of the terms of this Agreement.
7. You do not comply with the covenant not to compete set forth in this Agreement during the term of this Agreement; violate the restrictions pertaining to the use of Confidential Information contained in this Agreement; or, do not obtain the execution of the additional covenants required by this Agreement.
8. You, your General Manager and all others required to do so fail to attend or successfully complete our Initial Training Program (after being afforded the opportunity to repeat the training pursuant to Section 7.02 of this Agreement).
9. You knowingly or through gross negligence: conceal revenues; maintain false books or records; falsify information or otherwise defraud or make false representations to us; or, submit any false report to us.
10. You do not maintain the financial records required by Section 11.02 of this Agreement.
11. We or our designee conducts an audit of your franchised Business which discloses that any monthly report or statement which you submitted to us understated your Gross Revenues by 8% or more for any month within the period of examination, or for the entire period of examination.
12. You refuse us permission to inspect, or to conduct an operational and/or financial audit of, your Business.
13. You take, withhold, misdirect or appropriate for your own use any funds withheld from your employees' wages which should have been set aside for the franchised Business' employee taxes, FICA, insurance or benefits; wrongfully take or appropriate for your own use our property or funds; systemically fail to deal fairly and honestly with your employees, customers or suppliers; or knowingly permit or, having

discovered the facts, fail to take any action against, or to discharge, any agent, servant or employee who has embezzled our funds or property or that of any customers or others.

14. After curing a default which is subject to cure under Section 17.03 below, you commit the same act of default again within six (6) months.
15. You make a willful misrepresentation or do not make a material disclosure required by any governmental or quasi-governmental authority regarding any matter involving or affecting the operations of your franchised Business and your Store.
16. You interfere or attempt to interfere in any manner with our or our affiliates' contractual relations and/or our relationships with other franchisees; any supplier of you, us or other franchisees; any governmental or quasi-governmental authority; our employees or advertising agencies; or, any third parties.
17. You commit any act or default which materially impairs the goodwill associated with our Proprietary Marks and which, by its nature, is incurable; or, if the default is curable, you fail to cure the default following delivery of written notice to cure at least seventy-two hours in advance.
18. You do not comply, for a period of fifteen (15) days after notification of non-compliance by us or any governmental or quasi-governmental authority, with any federal, state or local law or regulation applicable to the operation of the franchised Business.
19. You repeatedly fail to comply with one or more requirements of this Agreement, whether or not corrected after notice.
20. You do not purchase or maintain any category of insurance required by this Agreement.
21. You, your franchised Business, your General Manager and/or your Store violate any law, rule or regulation, and/or engages in any act or practice, which subjects you and/or us to widespread publicity, ridicule or derision.
22. You breach the provisions of this Agreement relating to advertising standards and do not cure this breach within three (3) days following written notice from us.
23. You purchase any proprietary programs, products or services from us or our affiliates, or purchase from us, our affiliates or any third-party non-proprietary goods, programs, products or services pursuant to a systemwide supply contract we negotiate, and you use, divert, sell or otherwise exploit such programs, products or services for the benefit of any other individual, entity or business.
24. You operate your franchised Business and/or your Store in a fashion that, in our business judgment, in any way jeopardizes the life, health or safety of the general public, your customers and/or your employees. If you do so, then not only may we terminate this Agreement upon notice, but you agree that we may either beforehand or concurrently direct you to immediately close your Store; you shall immediately comply with such direction (which may be given orally or in writing); and, you shall hold us harmless from and against any claims whatsoever relating to our direction to close your Store.
25. You make any use of our Confidential Information and/or Proprietary Marks not specifically authorized by this Agreement or our Brand Standards, or you directly or indirectly utilize or devote the same for the benefit of any individual or entity other than your franchised Business.

26. You engage in any act or conduct, or fail to engage in any act or conduct, which under this Agreement specifically authorizes us to terminate this Agreement immediately upon notice to you.
27. You default under any agreement between you and any lessor or sublessor of your Location and you do not cure the default within the period specified in the Location's Lease or Sublease (as applicable).
28. You or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation.
29. Per Section 17.04 ("Cross-Default"), you (or any of your owners) fail to cure within the applicable time period (if any cure period applies) any breaches under this Agreement, or any other agreement between you (or any of your affiliates) and us (or any of our affiliates) including, but not limited to, any other franchise agreement, area development agreement, lease or promissory note.

17.03 Termination by Us – Thirty Days to Cure

Except as provided in Section 17.01, 17.02 or in this Section 17.03, you will have thirty (30) calendar days after we furnish you with a written notice of default, transmitted in accordance with the terms of Section 26.01 of this Agreement, to cure any default under this Agreement (or, if the default cannot reasonably be cured within this time, to initiate action to cure the default within such time and complete cure within the shortest reasonable time thereafter) and to provide us with evidence that you have done so. If you have not cured any default within the applicable cure period specified in this Section 17.03 (or, if the default cannot reasonably be cured within such time, you have not initiated action to cure the default within the applicable cure period and thereafter cure the default within the shortest reasonable time thereafter), or any longer period that applicable law may require, then, in addition to all other remedies we have at law or in equity, this Agreement will terminate immediately upon expiration of the applicable cure period, or any longer period required by applicable law, without further notice to you.

You will be in default of this Agreement for any failure to comply with any of the requirements imposed upon you and, if you are a business entity, your owners and Guarantors by this Agreement, our Brand Standards and/or all Supplements to the Brand Standards or if you and/or your owners or Guarantors otherwise fail to fulfill the terms of this Agreement in good faith. These defaults include the following events, which are set forth as examples only and are not meant to, nor shall they be deemed to, delineate all of the possible defaults which you may commit under this Agreement:

1. You or any of your affiliates fail, refuse or neglect to pay promptly when due any money owed to us, our affiliates or any lender which has provided financing to your franchised Business. The cure period for this default shall not be the above-referenced thirty (30) calendar days but, instead, will be five (5) calendar days after we transmit to you a written notice of default. If you fail to cure any such default within such shortened cure period, then this Agreement will terminate immediately upon expiration of the applicable cure period.
2. You fail, refuse or neglect to submit the financial and non-financial reports and other information required to be submitted to us under this Agreement, our Brand Standards or other written notices we transmit to you, or you make any false statements in connection with any reports or other information required to be submitted to us.
3. Your franchised Business and/or Store offers and sells any programs, products or services that we do not authorize under this Agreement or our Brand Standards.
4. You fail to maintain your trade accounts in a current status and/or fail to seek to promptly resolve any disputes with trade suppliers.

5. You engage in any business, or market any program, product or service, under a name or mark which, in our opinion, is confusingly similar to the Proprietary Marks.
6. You fail to pay any taxes due and owing by your franchised Business (including employee taxes) when due.
7. You do not use our Proprietary Marks and/or trade dress solely in the manner and for the purposes directed by us in this Agreement, our Brand Standards or otherwise.
8. You violate the restrictions pertaining to advertising set forth in Article 10 of this Agreement.
9. You do not indemnify us and/or one of the Franchisor Parties as required by this Agreement.
10. By act or omission, you permit a continued violation in connection with the operation of the franchised Business of any law, ordinance, rule or regulation of a governmental agency, in the absence of a good faith dispute over its application or legality and without promptly resorting to an appropriate administrative or judicial forum for relief.
11. You fail to obtain or maintain any required permit, certificate or other governmental approval required either by this Agreement or applicable law, rule or regulation.
12. You employ any individual who is not eligible for employment in the United States under any federal, state, local or other law, rule or regulation.
13. You fail to operate your Store during the days and hours specified in our Brand Standards without our prior written approval.
14. You fail to maintain and operate your Store in a good, clean and sound manner and in strict compliance with our standards for speed, service, quality, cleanliness and maintenance as set forth in our Brand Standards or otherwise.
15. Any Guarantor fails to comply with any of the requirements imposed by or pursuant to the Guarantee addressed in Section 31.02 of this Agreement.
16. You do not devote the amount of your time and attention and/or your best efforts to the performance of your duties of this Agreement necessary for the proper and effective operation of your franchised Business and/or Store.
17. You fail to implement (and, at your expense, take all steps necessary to implement) and thereafter adhere to any new or changed System requirements.
18. A final judgment not subject to appeal is entered against you or any Guarantor and remains unsatisfied for more than thirty (30) days or, if any such judgment is subject to appeal, you do not prosecute such appeal within thirty (30) days (or such shorter period as any law, rule or regulation requires).
19. You fail to comply with any other requirement imposed by this Agreement or our Brand Standards, or otherwise fail to carry out the terms of this Agreement in good faith.

17.04 Cross-Default

Any default or breach by you (or any of your affiliates) of any other agreement between us or our Affiliates and you (or any of your affiliates) will be considered a default under this Agreement, and any default or breach of this Agreement by you will be considered a default or breach under any and all other agreements between us (or any of our Affiliates) and you (or any of your affiliates). If the nature of the default under any other such agreement would have permitted us to terminate this Agreement if the default had occurred under this Agreement, or if the nature of the default under this Agreement permits us to terminate this Agreement, then we (or our Affiliate) will have the right to terminate any or all of the agreements between us (or any of our Affiliates) and you (or any of your affiliates) in the same manner provided for in this Agreement for termination of this Agreement. Your

“affiliates” include any persons or entities controlling, controlled by, or under common control with you.

17.05 Description of Default

The description of any default in any notice that we transmit to you will in no way preclude us from specifying additional or supplemental defaults under this Agreement or any related agreements in any action, proceeding, hearing or lawsuit relating to this Agreement or the termination of this Agreement.

17.06 Your Failure to Pay Constitutes Your Termination of This Agreement

Your failure to timely cure any breach of your obligation to make payments of Continuing Royalties, System Brand & Technology Contributions, or any other monies due and owing to us or our affiliates under this Agreement, or to timely cure any other breach of this Agreement committed by you, in either instance following our notice to you that you have committed a breach of this Agreement and granting you an opportunity to cure said breach (if such activities are required of us prior to our terminating this Agreement), will be irrevocably deemed to constitute your unilateral rejection and termination of this Agreement and all related agreements between you and us or our affiliates, notwithstanding that a formal notice of such termination(s) ultimately issues from us, and you shall never contend or complain otherwise.

17.07 Continuance of Business Relations

Any continuance of business relations between you and us after the termination or expiration of this Agreement will not constitute, and may not be construed as, a reinstatement, renewal, extension or continuation of this Agreement unless you and we agree in writing to any such renewal, extension or continuation.

17.08 Notice Required By Law

If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement or the parties to this Agreement limits our rights to terminate this Agreement or requires longer notice or cure periods than those set forth above, then this Agreement will be considered modified to conform to the minimum notice, cure periods or restrictions upon termination required by such laws and regulations. We will not, however, be precluded from contesting the validity, enforceability or application of the laws or regulations in any action, proceeding, hearing or dispute relating to this Agreement or the termination of this Agreement.

17.09 Franchisor’s Right to Send Notifications of Termination

Before or on the expiration or termination of this Agreement, we may give notice that the Store is leaving the System and take any other action related to customers, suppliers and all other individuals or entities affected by such expiration or termination or which require or desire an identification of our System Stores.

18. FURTHER OBLIGATIONS AND RIGHTS FOLLOWING THE TERMINATION OR EXPIRATION OF THIS AGREEMENT

18.01 Further Obligations and Rights Following the Termination or Expiration of this Agreement

If this Agreement expires or terminates for any reason or is assigned by you, you will cease to be one of our authorized franchisees and you will lose all rights to the use of our Proprietary Marks, the System, all Confidential Information and know-how owned by us and any goodwill (including "local" goodwill) engendered by the use of our Proprietary Marks and/or attributed to your conduct of the franchised Business.

Upon expiration or earlier termination of this Agreement for whatever reason, you agree to:

1. Immediately pay all royalties, fees, Sublease payments and other sums due and owing to us or our affiliates, plus interest, and all sums due and owing to any landlord, suppliers, employees, taxing authorities, advertising agencies, lenders, customers, and all other third parties. Irrespective of whether this Agreement expires or is earlier

terminated, if your franchised Business ceases operating as a result of the expiration or earlier termination of this Agreement, you acknowledge and agree you remain obligated to continue to pay all fees, expenses and any reciprocity rates (if applicable) associated with the then-active membership agreements to which you are a party and gift cards, gift certificates and similar instruments you previously sold.

2. Discontinue the use of the Proprietary Marks, and not operate or do business under any name or in any manner which might tend to give the general public the impression that you are operating a Business, a Store or any similar business. You may not use, in any manner or for any purpose, directly or indirectly, any of our Confidential Information, trade secrets, procedures, forms, techniques, know-how or materials acquired by you by virtue of the relationship established by this Agreement. You may never identify yourself to the public in any fashion whatsoever as a current or former GolfCave franchisee.
3. Take all necessary action to cancel any assumed name or equivalent registration which contains the Proprietary Mark "GolfCave", or any other Proprietary Mark of ours, or any variant, and furnish us with satisfactory evidence of compliance, within fifteen (15) days following termination or expiration of this Agreement. If you fail or refuse to do so, we may, in your name, on your behalf and at your expense, execute all documents necessary to cause discontinuance of your use of the name "GolfCave", or any related name used under this Agreement. You irrevocably appoint us as your attorney-in-fact to do so.
4. Upon any termination of this Agreement by us for cause, we will have the right immediately to enter and take possession of your Store to maintain continuous operation of the previously franchised business, provide for orderly change of management and disposition of personal property, and otherwise protect our interests. If you dispute the validity of our termination of the franchise, we will nevertheless have the option (which you irrevocably grant) to operate the business pending the final, unappealed determination of the dispute by a court of competent jurisdiction. If a court of competent jurisdiction makes a final, unappealed determination that the termination was not valid, we agree to make a full and complete accounting for the period during which we operated the previously franchised business.
5. If we terminate this Agreement because of your default or you terminate same through failure to make payment following notice and opportunity to cure (pursuant to Section 17.03), you must pay us all losses and expenses we incur as a result of the default or termination, including all damages, costs, expenses, and reasonable attorneys' and experts' fees directly or indirectly related thereto, such as (without limitation) lost profits, lost opportunities, damage inuring to our Proprietary Marks and reputation, travel and personnel costs and the cost of securing a successor franchised business at the Location. This obligation will give rise to and remain, until paid in full, a lien in our favor against any and all of the assets, property, furnishings, equipment, signs, fixtures and inventory owned by you or the franchised Business at the time of termination and against any of your money which we are holding or which is otherwise in our possession.
6. Immediately deliver to us all training or other materials furnished to you (including the Brand Standards and Supplements to the Brand Standards), all Confidential Information, computer software and database material, customer lists, records and files, documents, instructions, display items, advertising and promotional material, any and all materials, signs and related items which bear our Proprietary Marks or slogans or insignias or designs, advertising contracts, forms and other materials or property of ours, and any copies of them in your possession which relate to the

operation of the franchised Business. You may retain no copy or record of any of these items, except for your copy of this Agreement, any correspondence between the parties and any other documents which you reasonably need for compliance with any provision of law. You agree that the foregoing items, materials, lists, files, software and other similar items will be considered to be our property for all purposes.

7. Immediately execute all agreements necessary to effectuate the termination in a prompt and timely manner.
8. At our option, either change the telephone numbers utilized by your franchised Business or, upon our written demand, direct the telephone company to transfer the telephone numbers (and associated listings) listed for the franchised Business to us or to any other person or location that we direct. If you do not promptly direct the telephone company to do so, you irrevocably appoint us as your attorney-in-fact to direct the telephone company to do so.
9. Strictly comply with the post-termination/post-expiration covenants not to compete set forth in Article 12 of this Agreement (including those restricting your ability to sell, assign, lease or otherwise grant possessory rights to your Store and/or Location to a party intending to conduct a Competitive Business thereat).
10. Continue to abide by those restrictions pertaining to the use of our Confidential Information, trade secrets and know-how set forth in Article 12 of this Agreement.
11. Immediately surrender to us all computer software, data storage disks or tapes and other electronic media used in the operation of the franchised Business, printouts, and other information pertaining to computer operations, codes, procedures and programming. You agree not to destroy, damage, hide or take any steps to prevent us from obtaining any information which you had stored in the computer systems of the franchised Business. You agree not to retain any printouts, disks, tapes or other electronic media containing any of the programs or data stored in the computer systems.
12. If you lease your Location from a third party and we elect not to assume possession of the Location and/or elect not to exercise our option under Article 19 below, then promptly upon termination or expiration of this Agreement, you agree to "de-identify" the Store Location in all respects by performing all redecoration and remodeling, and effecting physical changes to the Location and the franchised Business' décor, trade dress, color combination, signs and other physical characteristics, as we consider necessary in our reasonable business judgment to distinguish the Location from a duly authorized Location. Without limiting the foregoing, upon our request, you will immediately discontinue use of our color scheme (by repainting if necessary) and will immediately remove all identifying architectural superstructure (as set forth in the plans and specifications for your Store) and other distinguishing structures, décor items, furniture, and equipment from your Store hereunder as we may direct, in order to effectively distinguish your former System Store and other facilities from our proprietary design(s) and trade dress. If you refuse, neglect or fail to do so, we, in addition to any other remedy we have, have the right to enter upon the Location and effect such required changes at your sole risk and expense, and you hereby appoint us or our agents as your attorney(s)-in-fact with full authority to do so with no liability for trespass or any other illegality.

19. OUR OPTION UPON TERMINATION OR EXPIRATION

19.01 Option to Purchase Your Franchised Business's Assets, Computers and Point of Sale Systems

A. Upon the termination or expiration of this Agreement for any reason, we, any of our affiliates, and/or any nominee or designee we name are hereby granted an option, exercisable within thirty (30) days after the termination or expiration becomes effective, to purchase as soon as practicable thereafter (including any period necessary for the obtaining of governmental approvals and consents of the concerned lessor) all of your operating assets relating to the franchised Business. We may exclude from the assets we elect to purchase, cash or its equivalent and any leasehold improvements, equipment, fixtures, furnishings, signs, materials and supplies that are not necessary or appropriate (in function or quality) to the Store's operation or that we have not approved as meeting the System standards, and the purchase price will reflect such exclusions. The date on which such purchase is closed will be referred to as the "Closing Date". The following terms and conditions will apply to the option granted by this Article 19:

1. All leasehold improvements, furniture, fixtures, supplies, equipment, trade dress elements and inventory will be purchased at your original cost or for an amount equal to their fair market value, whichever is less. If you and we cannot agree on "fair market value", then an appraiser shall determine same in accordance with the procedures set forth in Section 19.02 below.
2. All transferrable permits, licenses and other governmental authorizations will be transferred or assigned to us, our affiliate, nominee or designee (as applicable) at the soonest possible time, specifically including any alcoholic beverage licensing, permits or authorizations if applicable to your Store.
3. All printed material, forms and other materials purchased from us under this Agreement will be purchased for an amount equal to their cost (if any).
4. All property, real or personal, sold to us or our affiliate, nominee or designee (as applicable) under this Article 19 must be free and clear of all liens, debts, claims, liabilities, leases, encroachments, covenants, conditions, restrictions, rights, rights of way and/or other encumbrances (except for tax liens and special and/or other assessments not delinquent) unless we, in our reasonable opinion (or that of our affiliate, nominee or designee, as applicable), determine that the existence of same either will not interfere with the proposed use of the property or that the existence of same are merely due to easements of record, zoning ordinances or statutes, use and occupancy restrictions of public record or other limitations which are generally applicable to similar properties in the vicinity.

B. You will convey to us (or our affiliate, nominee or designee, as applicable) good and merchantable, full, legal, equitable and beneficial title to all of the foregoing assets by means of appropriate deeds, bills of sale and assignments containing warranties of title. You hereby irrevocably designate us as your attorney-in-fact and proxy to execute any and all instruments necessary and appropriate to effect such conveyance and will sign any other documents or agreements necessary for our appointment as such. We (or our affiliate, nominee or designee, as applicable) will have the right at our option to assume any liabilities encumbering the assets sold under the provisions of this Article or any of the liabilities for which we would otherwise be indemnified by you pursuant to Section 8.10 of this Agreement, and reduce the consideration payable to you accordingly. You will pay all transfer taxes and recording fees, if any.

C. All rents, interest, assessments, taxes and other charges or royalties related to the assets to be conveyed, the payment period of which began before the Closing Date, will be prorated to the Closing Date on the basis of the most recent rates available, and the prorated amount will be added to or subtracted from, as the case may be, the consideration payable to you.

D. You agree to use your best efforts to assist us (or our affiliate, nominee or designee, as applicable) in obtaining any government or other approvals or consents necessary to carry out the terms and intent of this Article 19.

19.02 Appraisals

If you and we cannot agree within a reasonable time on the fair market value of any assets we, our affiliate, nominee or designee acquire from you pursuant to this Article 19, or the commercially reasonable terms of any lease we require you to enter into for land and facilities owned by you (or any affiliate) and utilized by the franchised Business, then such dispute will be resolved by means of an appraisal conducted in the following fashion. If, within sixty (60) days following your receipt of our notice that we intend to exercise one or more of the options set forth above, you and we cannot agree on the fair market value of the item in question, then you and we within the next seven (7) days shall each select one appraiser and notify the other party of its designee. The two appraisers you and we select will be instructed to meet within thirty days following their selection for the purpose of selecting a third appraiser to serve with them. If the two appraisers you and we select cannot agree on the selection on the third appraiser within fifteen (15) days after the selection of the last of them, then you shall select the third appraiser from a list of three appraisers we propose in writing. In the event our disagreement pertains to the commercially reasonable terms of any lease you are required to enter into with us for the Location (if you own it), then each appraiser selected must have received the MAI designation and must be actively engaged in appraisal work in the county in which the Location is located. The appraisers' determination of the fair market value of any item(s) we intend to purchase from you, or the commercially reasonable terms of the Lease for your owned Location, will be binding on both of us. The parties hereby agree that they will instruct the appraisers to complete their appraisal within thirty (30) days after the third appraiser's appointment. If following the appraisal we exercise any of the options set forth above, then you and we will each pay one half (1/2) of the cost of any and all such appraisals. If we do not elect to exercise any option provided herein following the appraisals then we alone shall bear the cost of all of the appraisal. If we exercise any of the options granted to us above, we will have the right to set off from all amounts due to you any and all amounts which are due and owing by you to us and our affiliates.

19.03 Timing

If we exercise our option to purchase (or, with respect to your Location, lease) any of the assets of your franchised Business as provided in this Article 19, then the Closing Date shall be no later than sixty (60) days after either you and we agree on the fair market value of the assets in question (or, with respect to the Location, the commercially reasonable terms for our lease for such Location) or, if you and we cannot agree on same, no later than sixty (60) days after the determination of such fair market value/commercially reasonable terms furnished by the appraisers provided for in Section 19.02 of this Agreement.

20. UNAVOIDABLE DELAY OR FAILURE TO PERFORM (FORCE MAJEURE)

20.01 Unavoidable Delay or Failure to Perform (Force Majeure)

Any delay in our or your performance of any duties under this Agreement, or any non-performance of such duties, that is not your or our fault (as applicable) or within your or our reasonable control – including, but not limited to, fire; floods, natural disasters; Acts of God; war; civil commotion; terrorist acts; any governmental act or regulation; any delays or defaults in deliveries by common carriers and/or postal services and/or overnight couriers; computer network outages; late deliveries or non-deliveries of goods or non-furnishing of services by third party vendors; strikes; lockouts; and any other similar event beyond such party's control) will not constitute a breach or cause a default under this Agreement, provided, however, that we or you (as applicable) will take all steps reasonably possible to mitigate damages caused by such failure or delay.

Notwithstanding the foregoing, if any such failure or delay continues for more than 180 days, we will have the right at any time thereafter during the continuance of such failure or delay to terminate this Agreement upon thirty (30) days advance written notice to you.

21. APPROVALS AND WAIVER

21.01 Approvals

Whenever this Agreement requires you to secure our prior approval or consent, such approval or consent must be obtained in writing and must be timely sought.

21.02 Waiver and Delay

No waiver or delay in either party's enforcement of any breach of any term, covenant or condition of this Agreement will be construed as a waiver by that party of such breach or any preceding or succeeding breach, or any other term, covenant or condition of this Agreement. Without limiting the foregoing, our acceptance of any payment specified to be paid by you under this Agreement will not be, nor constitute, our waiver of any breach of any term, covenant or condition of this Agreement.

We shall not be required to waive or impair any right, power, or option this Agreement reserves (including, without limitation, our right to demand exact compliance with every term, condition, and covenant or to terminate this Agreement before its term expires due to a breach) because of any custom or practice at variance with this Agreement's terms; our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including, without limitation, any System standard; our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other GolfCave Stores; the existence of franchise agreements for other Stores which contain provisions different from those contained in this Agreement; or, our acceptance of any payments due from you after any breach of this Agreement.

21.03 Our Withholding of Consent – Your Exclusive Remedy

In no event may you make any claim for money damages based on any claim or assertion that we have unreasonably withheld or delayed any consent or approval under this Agreement. You waive any such claim for damages. You may not claim any such damages by way of setoff, counterclaim or defense. Your sole remedy for the claim will be an action or proceeding to enforce this Agreement's provisions, for specific performance or for declaratory judgment.

21.04 No Warranty or Guarantee

If we afford you a waiver, approval, consent or suggestion in connection with this Agreement, we do not thereby make any warranty or guarantee upon which you may rely and by doing so we assume no liability or obligation to you.

22. OUR RIGHT TO CURE DEFAULTS

22.01 Our Right to Cure Defaults

In addition to all other remedies granted pursuant to this Agreement, if you default in the performance of any of your obligations, or breach any term or condition of this Agreement or any related agreement, then we may, at our election, immediately or at any time thereafter, without waiving any claim for breach under this Agreement and without notice to you, cure the default on your behalf. Our cost of curing the default and all related expenses will be due and payable by you immediately upon demand.

23. INJUNCTION

23.01 Injunction

You explicitly affirm and recognize the unique value and secondary meaning associated with the System and the Proprietary Marks. Accordingly, you agree that any noncompliance by you with the terms of this Agreement, or any unauthorized or improper use of the System or the Proprietary Marks by you, will cause irreparable damage to us and other System franchisees. You therefore agree that

if you engage in such noncompliance, or unauthorized and/or improper use of the System or Proprietary Marks, during or after the term of this Agreement, we and our affiliates will be entitled to both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law. You consent to the entry of these temporary and permanent injunctions without the requirement that we post a bond of any type or nature, or any other form of security, and without the requirement to prove the adequacy of money damages as a remedy, and without waiving any other rights or remedies at law or in equity. You will be responsible for payment of all costs and expenses, including reasonable attorneys' and expert fees, which we and/or our affiliates may incur in connection with our efforts to secure such injunctive relief.

24. INTEGRATION OF AGREEMENT

24.01 Integration of Agreement

This Agreement, all exhibits to this Agreement, and all ancillary agreements executed contemporaneously with this Agreement constitute the entire agreement between the parties with reference to the subject matter of this Agreement and supersede any and all prior negotiations, understandings, representations and agreements; provided, however, nothing in this or any related agreement is intended to disclaim the express representations made in the franchise disclosure document, its exhibits and amendments that we provided to you. You specifically acknowledge that no officer, director, employee, agent, representative or independent contractor of ours is authorized to furnish you with any financial performance information. For the purpose of this Agreement, "financial performance information" means information given, whether orally, in writing or visually which states, suggests or infers a specific level or range of historic or projected sales, expenses and/or profits of franchised or non-franchised Businesses and Stores.

25. NO ORAL MODIFICATION

25.01 No Oral Modification

This Agreement may not be amended orally, but may be amended only by a written instrument signed by the parties.

26. NOTICES

26.01 Notices, Requests and Protests

Any notice, request or protest required or permitted to be given under this Agreement must be in writing; must be delivered to the other party either personally or by a recognized overnight delivery service capable, through "signature capture" or otherwise, of documenting delivery or attempted delivery of the notice, or by electronic mail with third party proof of delivery (including date and time); and, will be effective on the date that delivery either is effected or is documented to have been first attempted. We reserve the right to designate in our Brand Standards a now or hereafter developed mode of electronic communication to facilitate our giving notices to each other, but only if the mode of communication we specify is capable of affording evidence of delivery or attempted delivery.

Notices to us:

GolfCave Franchising, LLC
1 Clarkton Drive
Clark, New Jersey 07066
Attention: General Manager

With a copy to:

Kaufmann Gildin & Robbins LLP
767 Third Avenue, 30th Floor
New York, New York 10017
Attention: David J. Kaufmann, Esq.

Notices to You:

Attention: _____

Either party to this Agreement may, in writing, on ten (10) days' notice, inform the other of a new or changed address or addressee(s) to which notices under this Agreement should be sent.

27. SEVERABILITY

27.01 Severability

Nothing contained in this Agreement may be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provision of this Agreement and any present or future law, rule or regulation which by its terms is applicable to this Agreement, the latter will prevail, but the affected provision of this Agreement will be curtailed and limited only to the extent necessary to bring it within the requirement of the law. In the event that any part, article, paragraph, sentence or clause of this Agreement shall be held to be indefinite, invalid or otherwise unenforceable, that provision shall be deemed deleted, and the remaining part of this Agreement shall continue in full force and effect, unless said provision pertains to the payment of monies due to us or our affiliates under this Agreement of any type or nature whatsoever, in which case we may at our option terminate this Agreement. If any court of competent jurisdiction deems any provision of this Agreement (other than for the payment of money) so unreasonable as to be unenforceable as a matter of law, the court may declare a reasonable modification of this Agreement (but not any of its payment provisions) and the parties agree to be bound by and perform this Agreement as so modified.

28. NO THIRD PARTY BENEFICIARIES

28.01 No Third Party Beneficiaries

This Agreement is entered into solely between you and us. Other than our affiliates or as expressly set forth in this Agreement, there is no intended third party beneficiary of this Agreement and you agree that none is to be presumed or deemed to exist.

29. EXECUTION, CONSTRUCTION AND INTERPRETATION; FURTHER ACTS

29.01 Execution, Construction and Interpretation; Further Acts

A. This Agreement may be executed in multiple counterparts, each of which will be considered an original and all of which together will constitute one and the same instrument. Electronic and facsimile signatures will be considered as binding and conclusive as if original.

B. The titles and subtitles of the various Articles and Sections of this Agreement are inserted for convenience and will not affect the meaning or construction of any of the terms, provisions, covenants and conditions of this Agreement. The language of this Agreement will in all cases be construed simply according to its fair and plain meaning and not strictly for or against us or you.

C. It is agreed that if any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision will have the meaning which renders it valid.

D. The parties agree to execute all other documents and perform all further acts necessary or desirable to carry out the purposes of this Agreement.

E. If Franchisee consists of more than one person or entity, or a combination thereof, the obligations and liabilities of each such person or entity to us under this Agreement are joint and several.

F. As used in this Agreement, the words "include", "includes", or "including" are used in a non-exclusive sense and shall be construed to mean "including without limitation".

30. LEGAL ACTIONS, GOVERNING LAW AND VENUE

30.01 Attorneys' Fees

Except as otherwise provided by this Agreement, each party to any legal action or proceeding brought against the other party shall be responsible for his/her/its own attorneys' fees, experts' fees, court costs and all other expenses sustained in the course of such litigation (including any appeals). You acknowledge, however, that certain provisions of this Agreement provide that should we prevail in certain legal actions or proceedings against you, you must reimburse us for all costs and expenses incurred in connection with such legal actions or proceedings (including any appeal thereof), including reasonable attorneys' fees, experts' fees, court costs and all other expenses we incur. You further acknowledge that if we incur costs and expenses due to your failure to pay when due amounts owed to us, to submit when due any reports, information, or supporting records, or otherwise to comply with this Agreement, you agree, whether or not we initiate a formal legal proceeding, to reimburse us for all of the costs and expenses that we incur, including, without limitation, reasonable accounting, attorneys' and related fees, and any fees and costs incurred in connection with collection of any amounts due and obtaining injunctive or other relief for the enforcement of any provisions of this Agreement.

30.02 Attorneys' Fees – Third Party Actions

If we become a party to any action or proceeding commenced or instituted against us by a third party arising out of or relating to any claimed or actual act, error or omission of yours and/or any of your officers, directors, shareholders, management, employees, contractors and/or representatives (the "Franchisee Party(ies)") your Store and/or your franchised Business by virtue of statutory, "vicarious", "principal/agent" or other liabilities asserted against or imposed on us as a result of our status as Franchisor; or if we become a party to any litigation or any insolvency proceeding involving you pursuant to any bankruptcy or insolvency code (including any adversary proceedings in conjunction with bankruptcy or insolvency proceedings), then you will be liable to, and must promptly reimburse us for, the reasonable attorneys' fees, experts' fees, court costs, travel and lodging costs and all other expenses we incur in such action or proceeding regardless of whether such action or proceeding proceeds to judgment. In addition, we will be entitled to add all costs of collection, interest, attorneys' fees and experts' fees to our proof of claim in any insolvency or bankruptcy proceeding you file.

30.03 Governing Law

This Agreement; all relations between us; and, any and all disputes between you and/or any other Franchisee Party, on the one hand, and us and/or any other Franchisor Parties, on the other hand, whether such dispute sounds in law, equity or otherwise, is to be exclusively construed in accordance with and/or governed by (as applicable) the law of the state of New York without recourse to New York (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement is not enforceable under the laws of New York (or a successor state we designate as provided above), and if your franchised Business is located outside of New York (or such hereafter designated state) and the provision would be enforceable under the laws of the state in which the

franchised Business is located, then that provision (and only that provision) will be interpreted and construed under the laws of that state. This Section 30.03 is not intended to invoke, and shall not be deemed to invoke, the application of any franchise, business opportunity, antitrust, unfair competition, fiduciary or any other doctrine of law of the State of New York, or any successor state we designate (as provided above), which would not otherwise apply by its terms jurisdictionally or otherwise but for the within designation of governing law or which, by virtue of its denominated geographic or subject matter scope, would not by its terms otherwise apply.

30.04 Venue

Any action or proceeding brought by us or you (and/or any of our or your respective affiliates, and their respective owners, members, officers, directors or managers) against any such other party, whether sounding in law or equity, will be instituted, litigated through conclusion and, if necessary, appealed through final, irrevocable judgment exclusively in a state or federal district court of competent jurisdiction situated in the state, county and judicial district in which our principal place of business is then located (which is currently Union County, New Jersey). Any such action or proceeding shall be brought in federal court if federal court jurisdiction exists and, if it does not exist, then in state court. You (and your affiliates, and the owners, members, officers, directors or managers of each of the foregoing) hereby irrevocably submit themselves to the jurisdiction of any such court and waive all questions of personal jurisdiction for the purpose of carrying out this provision. You (and each of your affiliates, and the owners, members, officers, directors or managers of each of the foregoing) agrees that any dispute as to the venue for litigation will be submitted to and resolved exclusively by such aforementioned court. Notwithstanding the foregoing, however, with respect to any action for monies owed, injunctive or other extraordinary or equitable relief, or involving possession or disposition of, or other relief relating to, your Store or Location, we may bring such an action in any state or federal district court which has jurisdiction. You, on behalf of yourself and your affiliates, and the owners, members, officers, directors or managers of each of the foregoing, hereby waive and covenant never to assert or claim that the venue designated for litigation by this Agreement is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including any claim under the judicial doctrine of "forum non conveniens"). The parties agree that this Section 30.04 shall not be construed as preventing either party from removing an action or proceeding from state to federal court.

30.05 Waiver of Jury Trial, Punitive and Certain Other Damages

- A. The parties to this Agreement (as denominated in Section 30.04) explicitly waive their respective rights to a jury trial in any litigation between them and hereby stipulate that any such trial shall occur without a jury.
- B. You, your Guarantors and the other Franchisee Parties hereby irrevocably waive, to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special, consequential or other similar damages in any action or proceeding whatsoever between such parties and/or any of their affiliates and us and/or any of our affiliates, and you and such others covenant never to advance or pursue any such claim for punitive or such other types of damages. You and such others agree that in the event of a dispute, you and such others shall be limited to the recovery from the Franchisor Parties of any actual damages sustained by you or them; and if a third party is the proximate cause of your damages (e.g., a third party designated by the Franchisor provides software to you which software has faults that cause you damage) then your sole recourse shall be against such third party. You covenant to secure from any Franchisee Party which does not execute this Agreement his/her/its execution of a writing specified by us, in the Brand Standards or otherwise, irrevocably confirming the applicability to them of the provisions of this Section 30.05, in such manner and by such time we reasonably specify.

30.06 No Consolidated or Class Actions

You and the other Franchisee Parties may only pursue any claim you have against us or the other Franchisor Parties in an individual legal action or proceeding. Neither you nor any other Franchisee

Party shall join or combine its/their legal action or proceeding in any manner with any action or claim of any other GolfCave franchisee, franchise owner, franchisee guarantor, or other claimant, nor will you or any other Franchisee Party maintain any action or proceeding against us and the other Franchisor Parties in a class action, whether as a representative or as a member of a class or purported class, nor will you or any other Franchisee Party seek to consolidate, or consent to the consolidation of, all or part of any action or proceeding by any of them against us or the other Franchisor Parties with any other litigation against us or such other Franchisor Parties.

30.07 Limitation on Actions

Any and all legal actions or proceedings brought by you against us or the other Franchisor Parties arising out of or related to this Agreement or any related agreement; any breach of this Agreement or any related agreement; the relations between such parties; and, any and all disputes between such parties, whether sounding in law or equity, must be commenced within two (2) years from the occurrence of the acts, errors and/or omissions giving rise to such legal action or proceeding or within two (2) years from the date on which you knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to such action or proceeding, whichever occurs first. If not, then you irrevocably covenant and agree that such action or proceeding shall be barred.

31. LIABILITY OF “FRANCHISEE”; GUARANTEE

31.01 Liability of “Franchisee”

The terms "Franchisee" and "you" as used in this Agreement will refer to each person executing this Agreement as Franchisee, whether that person is one of the spouses, partners, proprietors, shareholders, trustees, trustors or beneficiaries or persons named as included in you, and will apply to each of these persons as if he/she were the only named Franchisee in this Agreement. If you are a married couple, both husband and wife executing this Agreement will be liable for all your obligations and duties as Franchisee under this Agreement as if the spouse were the sole Franchisee under this Agreement. If you are a partnership or proprietorship, or if more than one person executes this Agreement as Franchisee, each partner, proprietor or person executing this Agreement will be liable for all obligations and duties of Franchisee under this Agreement. If you are a trust, each trustee, grantor and beneficiary signing this Agreement will be liable for all the obligations and duties of Franchisee under this Agreement. If you are a business entity, all owners of such entity executing this Agreement will be liable for all obligations and duties of Franchisee under this Agreement as if each such owner were the sole franchisee under this Agreement.

31.02 Guarantee

If you are a business entity, then we may require certain individuals or other entities (the "Guarantors") to guarantee all of your duties, requirements and obligations under this Agreement, both financial and non-financial, by executing a guarantee substantially in the form of Exhibit F (the "Guarantee"). In the event of the death of any Guarantor, we may require replacement guarantees sufficient in our sole business judgment to provide us with the same protection as we had originally bargained for.

If you are in breach or default under this Agreement, we may proceed directly against each such individual and/or entity Guarantor without first proceeding against you and without proceeding against or naming in the action or proceeding any other such Guarantor. Your obligations and those of each such Guarantor will be joint and several. Notice to or demand upon one such Guarantor will be considered notice to or demand upon you and all such Guarantors. No notice or demand need be made to or upon all such Guarantors. The cessation of or release from liability of you or any such Guarantor will not relieve you or any other Guarantor, as applicable, from liability under this Agreement, except to the extent that the breach or default has been remedied or money owed has been paid.

32. SURVIVAL

32.01 Survival

Any provision of this Agreement which imposes in any fashion, directly or indirectly, an obligation following the termination or expiration of this Agreement will survive the termination or expiration and will continue to be binding upon the parties to this Agreement. This Agreement will be binding upon and inure to the benefit of the parties, their heirs, successors and assigns.

33. OUR BUSINESS JUDGMENT

33.01 Our Business Judgment

Whenever this Agreement or any related agreement grants, confers or reserves to us the right to take action, refrain from taking action, grant or withhold our consent or grant or withhold our approval, unless the provision specifically states otherwise, we will have the right to engage in such activity at our option using our business judgment, taking into consideration our assessment of the long term interests of the System overall. You and we recognize, and any court or judge is affirmatively advised, that if those activities and/or decisions are supported by our business judgment, neither said court, said judge nor any other person reviewing those activities or decisions will substitute his, her or its judgment for our judgment. When the terms of this Agreement specifically require that we not unreasonably withhold our approval or consent, if you are in default or breach under this Agreement, any withholding of our approval or consent will be considered reasonable.

34. YOUR REPRESENTATIONS AND ACKNOWLEDGMENTS

34.01 Your Representations

You represent and warrant to us, with the intention that we are relying on your representations and warranties in entering into this Agreement, that:

1. If you are a business entity (including a corporation, limited liability company, general partnership or limited partnership), you are organized under the laws of the state of your principal place of business (or another state which you have identified to us) and your business entity is in good standing with and qualified to do business in each state and political/governmental subdivision having jurisdiction over your franchised Business.
2. If you are a business entity, you have all requisite power and authority to execute, deliver, consummate and perform all of your obligations under this Agreement, and all necessary business entity proceedings have been duly taken to authorize the execution, delivery and performance of this Agreement.
3. This Agreement has been duly authorized, executed and delivered by you, includes your legal, valid and binding obligations, and will be binding and enforceable upon you and your successors and assigns in accordance with its terms when executed by both parties.
4. You do not have any liabilities, adverse claims, commitments or obligations of any nature as of the date of execution of this Agreement, whether accrued, unliquidated, absolute, contingent or otherwise which are not reflected as liabilities on the balance sheets of your current financial statements which you furnished to us before the execution of this Agreement.
5. As of the date of execution of this Agreement, there are no actions, suits, proceedings or investigations pending or, to your knowledge or the knowledge any of your officers, directors, shareholders, partners, members, managers, Guarantors, or any other owner of a direct or indirect, partial or whole interest in you (as applicable), after due inquiry, threatened, in any court or arbitral forum, or before any governmental agency or instrumentality, nor to the best of your knowledge or the knowledge of any such persons or entities (after due inquiry) is there any basis for any claim, action, suit,

proceeding or investigation which affects or could affect, directly or indirectly, any of your assets, properties, rights or business; your right to operate and use your assets, properties or rights to carry on your business; and/or, which affects or could affect your right or ability to assume and carry out in all respects the duties, obligations and responsibilities specified in this Agreement.

6. All of your representations and warranties contained in this Agreement are complete, correct and accurate as of the date of execution of this Agreement and will survive any termination or expiration of this Agreement.

34.02 Your Acknowledgments

You represent, warrant and acknowledge to us that:

1. You understand that we do not represent that you will have the ability to procure any required license, permit, certificate or other governmental authorization that may be necessary or required for you to carry out the activities contemplated by this Agreement.
2. You acknowledge that you have received a complete copy of this Agreement and all related attachments and agreements at least seven (7) calendar days prior to the date on which this Agreement was executed. You further acknowledge that you have received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission entitled "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures" at least fourteen (14) calendar days prior to the date on which this Agreement was executed and at least fourteen (14) calendar days before the payment by you to us of any consideration in connection with the sale or proposed sale of the franchise granted by this Agreement.

35. SUBMISSION OF AGREEMENT

35.01 Submission of Agreement

Our tendering this Agreement to you does not constitute an offer. This Agreement will become effective only upon the execution of this Agreement by both us and you. The date that we execute this Agreement, referred to in this Agreement as the "Effective Date", will be considered the date of execution of this Agreement.

THIS AGREEMENT WILL NOT BE BINDING ON US UNLESS AND UNTIL IT HAS BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF OURS.

YOU ACCEPT AND AGREE TO EACH AND ALL OF THE PROVISIONS, COVENANTS AND CONDITIONS OF THE FOREGOING AGREEMENT.

[Signature page follows.]

Dated: _____

Attest:

Witness/Date

FRANCHISEE:

If a corporation or other entity:

(Name of Corporation or Other Entity)

By: _____

Name: _____

Title: _____

If one or more individuals:

By: _____

Name: _____

By: _____

Name: _____

Dated: _____

Attest:

Witness/Date

GOLFCAVE FRANCHISING, LLC

By: _____

Name: _____

Title: _____

STATE ADDENDA TO GOLFCAVE FRANCHISING, LLC FRANCHISE AGREEMENT

CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of California:

1. In Section 12.02 of the Franchise Agreement (“Covenant Not to Compete”), in the third paragraph thereof (which commences with the words “Further, during...”), the “no-poach” clause is removed – that is, the following specific words are removed: “(i) solicit for employment or hire our management personnel, the management personnel of any of our affiliates or the management personnel of any other franchised Business without first obtaining any written permission from us and the employer(s) of the personnel in question, or (ii)”. The remainder of the paragraph remains as is.
2. 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 in connection with the franchise.

[signature page follows]

Signed:

FRANCHISEE:

FRANCHISOR:

If an entity, name of entity:

GOLF CAVE FRANCHISING LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

If an individual:

Signature: _____

Print name: _____

Date: _____

If an individual:

Signature: _____

Print name: _____

Date: _____

[signature page to California Addendum to Franchise Agreement]

HAWAII ADDENDUM TO FRANCHISE AGREEMENT

1. 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 in connection with the franchise.

2. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals. Signed:

FRANCHISEE:

FRANCHISOR:

If an entity, name of entity:

GOLFCAVE FRANCHISING LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

If an individual:

Signature: _____

Print name: _____

Date: _____

If an individual:

Signature: _____

Print name: _____

Date: _____

ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT

Illinois law governs the Franchise Agreement(s).

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

Franchisor will defer collecting all Initial Franchise Fees payable by franchisees under the Franchise Agreement until Franchisor satisfies its pre-opening obligations and the franchisee has commenced business operations. In addition, Franchisor shall defer collecting all Development Fees payable by area developers under the Area Development Agreement until Franchisor has fulfilled its pre-opening obligations and the first franchise under the Area Development Agreement commences business operations. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

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 in connection with the franchise.

[signature page follows]

Dated: _____

FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

GOLFCAVE FRANCHISING, LLC

By: _____

Name: _____

Title: _____

[signature page to Illinois Addendum to Franchise Agreement]

INDIANA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply:

1. The laws of the State of Indiana supersede any provisions of the Franchise Agreement or New York law if such provisions are in conflict with Indiana law. The Franchise Agreement will be governed by Indiana law, rather than New York law, as stated in Section 30.03 of the Franchise Agreement ("Governing Law").
2. Venue for litigation will not be limited to New York, as specified in Section 30.04 of the Franchise Agreement ("Venue").
3. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as a material breach of the franchise agreement, will supersede the provisions of Article 17 of the Franchise Agreement ("Default and Termination") in the State of Indiana to the extent they may be inconsistent with such prohibition.
4. No release language set forth in the Franchise Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.
5. Section 12.04 of the Franchise Agreement ("Enforcement of Covenants Not to Compete") will not apply to franchises offered and sold in the State of Indiana.
6. Section 21.03 of the Franchise Agreement ("Our Withholding of Consent – Your Exclusive Remedy ") will not apply to franchises offered and sold in the State of Indiana.
7. Section 12.02 of the Franchise Agreement ("Covenant Not to Compete") is revised to limit the geographical extent of the post-term covenant not to compete to Franchisee's Territory for all franchises sold in the State of Indiana.
8. Section 23.01 of the Franchise Agreement ("Injunction") will not apply to franchises offered and sold in the State of Indiana.
9. Section 30.05(B) of the Franchise Agreement (which is part of "Waiver of Jury Trial and Punitive Damages") is deleted from the Franchise Agreement.
10. Notwithstanding the terms of Section 8.10 of the Franchise Agreement ("Indemnification"), Franchisee will not be required to indemnify Franchisor and the other Indemnitees for any liability caused by Franchisee's proper reliance on or use of procedures or materials provided by Franchisor or caused by Franchisor's negligence.
11. 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 in connection with the franchise.

[signature page follows]

This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

Dated: _____

FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

GOLFCAVE FRANCHISING, LLC

By: _____

Name: _____

Title: _____

MARYLAND ADDENDUM TO FRANCHISE AGREEMENT

The following provisions will supersede anything to the contrary in the Franchise Disclosure Document or Franchise Agreement and will apply to all franchises offered and sold under the laws of the State of Maryland:

1. The following language is added to Sections 13.01(H) and 14.04(O) of the Franchise Agreement: Notwithstanding anything to the contrary herein, pursuant to COMAR 02.02.08.16L, 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.
2. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within three years after the grant of the Franchise.
2. Section 30.04 of the Franchise Agreement ("Venue") requires venue to be limited to the County and State where the franchisor's principal place of business is then located (currently Union County, New Jersey). This provision is deleted from all Franchise Agreements for residents of the State of Maryland and/or franchises to be operated in the State of Maryland.
3. Section 34.02 ("Your Acknowledgments") and the third paragraph of Section 35.01 ("Submission of Agreement") are deleted from all Franchise Agreements for residents of the State of Maryland and/or franchises to be operated in the State of Maryland.
4. The following sentences are added at the end of the last paragraph of Section 3.04 of the Franchise Agreement ("Rights We Reserve"):

"The waivers and releases in this paragraph are not intended to nor will they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law. The waivers and releases in this paragraph will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law."
5. The following language is added to the last sentence of Section 24.01 of the Franchise Agreement ("Integration of Agreement"): "provided, however, that the previous language is not intended to, nor will it, act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."
6. The following sentence is added at the end of Section 25.01 of the Franchise Agreement ("No Oral Modification"): "This Section is not intended to, nor will it, act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."
7. 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. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.
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 in connection with the franchise.
9. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[signature page follows]

Dated: _____

FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

GOLFCAVE FRANCHISING, LLC

By: _____

Name: _____

Title: _____

[signature page – Maryland Addendum to GolfCave Franchise Agreement]

MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply:

1. The following language will appear at the end of Section 30.04 of the Franchise Agreement (“Venue”):

"Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement 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."

2. No release language set forth in the Franchise Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.
3. Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that 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. Franchisor will protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.
5. The second sentence of Section 12.04 of the Franchise Agreement (“Enforcement of Covenants Not To Compete”) is amended to read as follows:

"Accordingly, you consent to the seeking of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete set forth in this Agreement."

6. The third and fourth sentences of Section 23.01 of the Franchise Agreement (“Injunction”) is amended to read as follows:

"You therefore agree that if you engage in this non-compliance, or unauthorized and/or improper use of the System or Proprietary Marks, during or after the period of this Agreement, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law. You consent to the seeking of these temporary and permanent injunctions."

7. Any claims arising under Minnesota Statutes, Chapter 80C must be brought within three years after the cause of action accrues.
8. Notwithstanding anything to the contrary in the Franchise Agreement, the Franchisor will defer payment of initial franchise fees until the franchised Business opens.
9. 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 in connection with the franchise.

This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[signature page follows]

Dated: _____

FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Its _____

Print name: _____

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

GOLFCAVE FRANCHISING, LLC

By: _____

Name: _____

Title: _____

NEW YORK ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document or Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold under the laws of the State of New York:

1. The last sentence of the third paragraph of Section 7.01 of the Franchise Agreement (“Confidential Operating Brand Standards; Policy Statements”) is amended to read as follows:

"The Brand Standards and any additions, deletions, revisions or Supplements to the Brand Standards are material in that they will affect the operation of the franchised Business, but they will not conflict with or materially alter your rights and obligations under this Agreement or place an excessive economic burden on your operations."

2. Sections 13.01 (H) and 14.04 (O) of the Franchise Agreement are each amended to include the following language immediately following the requirement that Franchisee execute a General Release:

"Provided, however, that all rights enjoyed by Franchisee and any causes of action arising in its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder will remain in force; it being the intent of this proviso that the non-waiver provisions of GBL, Section 687.4 and 687.5 be satisfied."

3. The second sentence of Section 12.04 of the Franchise Agreement (“Enforcement of Covenants Not To Compete”) is amended to read as follows:

"Accordingly, you consent to the seeking of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete set forth in this Agreement."

4. The third and fourth sentences of Section 23.01 of the Franchise Agreement (“Injunction”) are amended to read as follows:

"You therefore agree that if you engage in this non-compliance, or unauthorized and/or improper use of the System or Proprietary Marks, during or after the period of this Agreement, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law. You consent to the seeking of these temporary and permanent injunctions."

5. 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 in connection with the franchise.

[signature page follows]

This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

Dated: _____

FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

GOLFCAVE FRANCHISING, LLC

By: _____

Name: _____

Title: _____

NORTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply:

1. The laws of the State of North Dakota supersede any provisions of the Franchise Agreement or New York law if such provisions are in conflict with North Dakota law. The Franchise Agreement will be governed by North Dakota law, rather than New York law, as stated in Section 30.03 of the Franchise Agreement (“Governing Law”).
2. Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of North Dakota, is deleted from Franchise Agreements issued in the State of North Dakota. The site of any arbitration will be agreeable to all parties.
3. No release language set forth in the Franchise Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of North Dakota.
4. Section 13.01 of the Franchise Agreement (“Conditions to Obtain a Successor Term”) requires the execution of a general release upon renewal. This requirement is deleted from all Franchise Agreements used in the State of North Dakota.
5. Section 18.01 of the Franchise Agreement (“Further Obligations and Rights Following the Termination or Expiration of this Agreement”) may require franchisees to consent to termination or liquidated damages. This requirement is deleted from all Franchise Agreements used in the State of North Dakota.
6. Covenants restricting competition in the State of North Dakota, such as those found in Section 12.02 of the Franchise Agreement (“Covenant Not to Compete”), may be subject to Section 9-08-06 of the North Dakota Century Code. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.
7. Section 30.04 of the Franchise Agreement (“Venue”) requires that the franchisee consent to the jurisdiction of courts in the state, county and judicial district in which our principal place of business is then located (which is currently Union County, New Jersey). This requirement is deleted from all Franchise Agreements used in the State of North Dakota.
8. Section 30.05 of the Franchise Agreement (“Waiver of Jury Trial and Punitive Damages”) requires the franchisee consent to a waiver of trial by jury. This requirement is deleted from all Franchise Agreements used in the State of North Dakota.
9. 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 in connection with the franchise.

This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[signature page follows]

Dated: _____

FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

GOLFCAVE FRANCHISING, LLC

By: _____

Name: _____

Title: _____

[signature page – North Dakota Addendum to GolfCave Franchise Agreement]

RHODE ISLAND ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply:

1. Any provision in the Franchise Agreement which designates the governing law as that of any state other than the State of Rhode Island is deleted from Franchise Agreements issued in the State of Rhode Island.
2. Section 19-28.1.-14 of the Rhode Island Franchise Investment Act, as amended by laws of 1993, provides that "a provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."
3. 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 in connection with the franchise.

[Signature page follows]

This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

Dated: _____

FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

GOLFCAVE FRANCHISING, LLC

By: _____

Name: _____

Title: _____

VIRGINIA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply:

1. 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 in connection with the franchise.

2. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

Dated: _____

FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

GOLFCAVE FRANCHISING, LLC

By: _____

Name: _____

Title: _____

WASHINGTON ADDENDUM TO FRANCHISE AGREEMENT, ACKNOWLEDGMENT AND RELATED MATERIALS

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply:

1. If any of the provisions in the franchise disclosure document or franchise agreement are inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Franchise Investment Protection Act, the provisions of the Act will prevail over the inconsistent provisions of the franchise disclosure document and franchise agreement with regard to any franchise sold in Washington.
2. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
3. A release or waiver of rights executed by a Franchisee will not include rights under the Washington Franchise Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the Franchise Agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, and rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
4. The state of Washington has a statute, RCW 19.100.180 which may supersede the Franchise Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise.
5. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
6. Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.
7. Sections 4.02 ("Successor Term and Successor Agreement") and 13.01 ("Conditions to Obtain a Successor Term") describe the Franchisee's right to enter into two consecutive Successor Franchise Agreements and the conditions the Franchisee must satisfy in order to have the right to enter into a Successor Franchise Agreement, respectively. The Franchisor will have no obligation upon the termination of the second Successor Franchise Agreement to offer the Franchisee a continued right to operate its GolfCave Business, and the Franchisee may be required at that time to stop operating its Store as a GolfCave Store and to comply with all post-termination obligations.
8. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the

franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

9. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.
10. In Section 8.02 ("Manner of Operation") of the Franchise Agreement, the second paragraph thereof does not apply to Washington franchisees.
11. Regarding Section 8.13 ("Adequate Reserves and Working Capital") of the Franchise Agreement, the Franchisor's discretion shall be exercised in accordance with the good faith requirement in RCW 19.100.180(1).
12. Section 12.02 of the Franchise Agreement, and the Confidentiality/Non-Competition Agreement attached to the Franchise Agreement, are each amended to add that non-parties to the Franchise Agreement are only bound to the confidentiality and non-competition provisions if they execute such Confidentiality/Non-Competition Agreement themselves.
13. Article 19 of the Franchise Agreement will be interpreted in accordance with RCW 19.100.180, including that the franchisee's inventory and supplies shall be purchased by the franchisor for not less than their fair market value offset by any amount owed by the franchisee to the franchisor.
14. The following provisions in the Franchise Agreement do not apply to Washington franchisees:
 - a) Section 30.07 ("Limitation on Actions").
15. The securities offering review fee stated in Section 14.08 of the Franchise Agreement will be no greater than the actual and reasonable costs incurred by the franchisor for such a review.
16. 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 in connection with the franchise.

This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[signature page follows]

Dated: _____

FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

GOLFCAVE FRANCHISING, LLC

By: _____

Name: _____

Title: _____

[signature page – Washington Addendum to GolfCave Franchise Agreement]

WISCONSIN ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply:

1. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 will apply to and govern the provisions of the Franchise Agreement.
2. That Act's requirement, including the requirements that, in certain circumstances, a franchisee receives ninety (90) days' notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, will supersede the requirements of Article 17 of the Franchise Agreement ("Default and Termination") to the extent they may be inconsistent with the Act's requirements.
3. 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 in connection with the franchise.

[signature page follows]

This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

Dated: _____

FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

GOLFCAVE FRANCHISING, LLC

By: _____

Name: _____

Title: _____

EXHIBIT A
STORE LOCATION

EXHIBIT A
STORE LOCATION

The franchised Store's Location as defined in Section 3.01 of the Franchise Agreement will consist of:

_____.

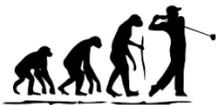
If a map is attached, check here: _____.

Initials: Franchisor _____ *Franchisee* _____

EXHIBIT B
PROPRIETARY MARKS

The Proprietary Marks as defined in Section 1.01 of the Franchise Agreement will consist of:

GOLFCAVE [\(word mark\)](#)



[\(The mark consists of four images starting from an ape evolving into a human golfer with a golf club and hat, appearing over three horizontal stick designs.\)](#)

and such other and further Proprietary Marks (as defined in Section 1.01 of the Franchise Agreement) that we may from time to time license to you in conjunction with and addition to the Proprietary Marks listed above. Any such other and further Proprietary Marks will be deemed a part of this Exhibit B.

EXHIBIT C

REQUIRED PROVISIONS FOR LEASE RIDER

RIDER TO LEASE

Franchisor means GolfCave Franchising, LLC and its successors and assigns with respect to the Franchise Agreement (the "Franchise Agreement"), dated _____, between Franchisor and _____ ("Franchisee/Tenant"). Franchisee/Tenant is the tenant under that certain lease agreement (the "Lease") pertaining to the space for a franchised GolfCave store location with the lessor or sublessor of such space ("Landlord"), to which a rider containing these provisions is to be attached. All leases Franchisee enters into for the GolfCave store location must contain a Rider with provisions acceptable to Franchisor providing the following, and the undersigned agree to the following:

1. After (a) the expiration of the Franchise Agreement (so long as Franchisor provides the Landlord with no less than 60 days advance written notice thereof), or (b) the sooner termination of the Franchise Agreement for any reason (so long as Franchisor either provides the Landlord with (x) a copy of Franchisor's notice of termination to Franchisee/Tenant or (y) an agreement regarding the date of termination), Franchisor will have the right (but not the obligation) to cure any defaults within a reasonable period of time and at Franchisor's election, either to assume the obligations of and replace Franchisee/Tenant as the lessee under the Lease, or to have another franchisee, licensee, joint venture partner or other designee of Franchisor assume the obligations of and replace Franchisee/Tenant as the lessee under the Lease, in each case together with any applicable renewal options. If Franchisor assumes the obligations of and replaces Franchisee/Tenant as the lessee under the Lease and then subsequently reassigns the Lease to another franchisee, licensee, joint venture partner or other designee of Franchisor, upon any such reassignment, Franchisor shall be released from all prospective obligations of the lessee.
2. Simultaneous with giving notice to Franchisee/Tenant of any default, the Landlord will furnish to Franchisor written notice specifying such default and the method of curing the default; allow Franchisor 30 days after receipt of the notice to cure the defaults (except that (i) if the default is the non-payment of rent, Franchisor will have only fifteen days from receipt of notice to cure the default, and (ii) if the default is of such a nature that it cannot, with the exercise of reasonable diligence, be cured within 30 days, the time for cure shall be extended to be the same as that set forth in the Lease); and, allow Franchisor to exercise Franchisor's option for Franchisor or another franchisee, licensee, joint venture partner or other designee of Franchisor to succeed to Franchisee/Tenant's interest in the Lease under the same conditions as set forth in par. '1', above.
3. The Landlord will accept Franchisor or another party designated by Franchisor as a substitute tenant under the Lease upon notice from Franchisor that Franchisor is exercising Franchisor's option for Franchisor or another franchisee, licensee, joint venture partner or other designee of Franchisor to succeed to Franchisee/Tenant's interest in the Lease (together with any applicable renewal options) and/or to reassign the Lease to another franchisee following Franchisor's assumption of obligations under the Lease, under the same conditions as set forth in par. '1', above.
4. The required provisions in '1', '2', and '3', above, are rights but not obligations for Franchisor to assume Franchisee/Tenant's rights and responsibilities under the Lease (together with any applicable renewal options). In the event that Franchisor does so, then Landlord and Franchisor shall enter into an agreement to document such assumption in a form reasonably acceptable to Landlord and Franchisor. If Franchisor

does exercise the above-described option to assume the Lease, then upon Franchisor's request and at Franchisor's expense, Landlord will exercise its rights under the Lease to remove and evict Tenant from the subject premises. The parties agree to execute any commercially reasonable documents in furtherance of this section.

5. The Landlord acknowledges that Franchisee/Tenant alone is responsible for all debts, payments and performances under the Lease before Franchisor or another franchisee, licensee, joint venture partner or other designee of Franchisor takes actual possession of the premises.

6. The Lease may not be modified or amended without Franchisor's advance written consent, which Franchisor may not unreasonably withhold. The Landlord will provide Franchisor with copies of all proposed modifications or amendments of the Lease at least 30 days prior to their execution and true and correct copies of the executed modifications and amendments.

7. The Landlord agrees to furnish Franchisor with copies of all letters and notices sent to Franchisee/Tenant pertaining to the Lease and the premises, at the same time and in the same manner that these letters and notices are sent to Franchisee/Tenant.

8. During the term of the Lease and for a reasonable period after the termination, expiration or transfer of either the Lease or the Franchise Agreement, Franchisor (or its authorized representative) shall have the right to enter the subject premises to make any modification or alteration necessary (with prior consent of Landlord for any structural work or work affecting building systems) to protect the GolfCave System and brand or to cure any default under the Franchise Agreement or under the Lease, without being guilty of trespass or any other crime or tort (and neither Franchisee/Tenant nor Landlord shall ever allege otherwise). Landlord shall not be responsible for any expenses or damages arising from any such action by Franchisor. Franchisee/Tenant, on behalf of itself, its owners and affiliates, hereby irrevocably waives its rights to any claim against Franchisor and Landlord, their respective subsidiaries, affiliates, owners, employees, agents and representatives of each of them, with respect to any and all demands, accounts, actions and causes of action, known or unknown, vested or contingent, which Tenant or its owners or affiliates may have, ever had, now has, or may hereafter have by reason of any event, transaction or circumstance arising out of or relating to the exercise of Franchisor's rights pursuant to this Rider. Landlord acknowledges that Franchisor has a prior right, title and interest in and to any such trademarked property, proprietary software, equipment, furniture and fixtures, notwithstanding any agreement between the Landlord and any lender of the Landlord with respect thereto. Landlord shall also provide Franchisor full access to all sales and other information to which Landlord has access and which is requested by Franchisor relating to the GolfCave unit at the subject premises.

SIGNED:

LANDLORD:

FRANCHISEE/TENANT:

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

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

EXHIBIT D

CONFIDENTIALITY/NON-COMPETITION AGREEMENT

CONFIDENTIALITY/NON-COMPETITION AGREEMENT

NAME: _____

FRANCHISEE: _____

HOME ADDRESS: _____

HOME TELEPHONE: _____

RELATION TO FRANCHISEE: _____

**(Owner, Shareholder, Officer, Director,
Employee, Etc.)**

_____ ("Franchisee") is a franchisee of GolfCave Franchising, LLC ("Franchisor") pursuant to a Franchise Agreement entered into by Franchisee and Franchisor dated _____ (the "Franchise Agreement") regarding the establishment of a franchised business. I agree that, unless otherwise specified, all terms in this Agreement have those meanings ascribed to them in the Franchise Agreement.

I agree that during the term of my employment by, ownership participation in, association with or service to Franchisee, or at any time thereafter, I will not communicate, divulge or use for the benefit of any other person, persons, partnership, proprietorship, association, corporation or entity any confidential information, knowledge or know-how concerning the systems of operation, services, products, clients or practices of Franchisee and/or Franchisor which may be communicated to me ("Confidential Information"), and I will not divert any business to competitors of Franchisee and/or Franchisor.

Any and all information, knowledge, know-how, techniques and information which the entities mentioned above or their officers designate as confidential will be Confidential Information for the purposes of this Agreement, except information which I can demonstrate came to my attention before disclosure or which had become or becomes a part of the public domain through publication or communication by others (unless the publication or communication is in violation of a similar confidentiality agreement), but in no event through any act of mine.

I specifically understand that, without limitation, the following constitute Confidential Information of Franchisor: all information, knowledge, trade secrets or know-how utilized or embraced by the System and/or imparted to me by Franchisor and/or Franchisee (or any of their respective affiliates) which concerns Franchisee's or Franchisor's systems of operation, programs, services, products, customers, practices, materials, books, records, manuals, computer files, databases or software; all elements of the System; all programs, products, services, equipment, technologies, policies, standards, requirements, criteria and procedures that now or in the future are a part of the System; Franchisor's Manual (including Supplements to the Manual); all specifications, procedures, systems, techniques and activities employed by Franchisor or by Franchisee in the offer and sale of programs, products and/or services at or from the franchised Business; all pricing paradigms established by Franchisor or Franchisee; all of Franchisor's and/or Franchisee's sources (or prospective sources) of supply and all information pertaining to same (including wholesale pricing structures, the contents of sourcing agreements and the identity of suppliers); Franchisor's specifications, and Franchisee's final plans, for the construction, build out, design, renovation, décor, equipment, signage, furniture, fixtures and trade dress elements of Franchisee's ; the identify of, and all information relating to, the Computer and POS Systems' hardware and software utilized by Franchisor and Franchisee; all information pertaining to Franchisor's and Franchisee's advertising, marketing, promotion

and merchandising campaigns, activities, materials, specifications and procedures; all customer lists, data and records generated and/or otherwise maintained by the franchised Business; Franchisor's internet/web protocols, procedures and content (including electronic data, data files, users names and passwords); Franchisor's training and other instructional programs and materials; all elements of Franchisor's recommended staffing, staff training and staff certification policies and procedures; all communications between Franchisor and Franchisee; additions or improvements to, deletions from and modifications and variations of the components of the System and the other systems and methods of operations which Franchisor employs now or in the future; research, development and test programs for products, services and operations; and, all other information, knowledge and know-how which either Franchisor or its affiliates, now or in the future, designate as confidential.

I will at no time copy, duplicate, record or otherwise reproduce any of the Confidential Information or material containing it, in whole or in part, store them in a computer retrieval or data base, nor otherwise make them available to any unauthorized person. Upon the expiration or other termination for any reason of my employment, association, service or ownership participation, I agree to return to Franchisor or Franchisee, as the case may be, all Confidential Information or material containing it (in whole or in part) in my possession utilized during my employment, association, service or ownership participation.

I further agree that during the term of my employment/service/association/ownership participation, and under the circumstances set forth in the following paragraph, for a period of one year immediately following its expiration or termination for any reason, I will not, directly or indirectly, engage or participate in any other business which engages in any of the activities which the Franchise Agreement contemplates will be engaged in by Franchisee; or, which offers or sells any other service, product or component which now or in the future is part of the System, or any confusingly similar product or service. I agree that I am prohibited from engaging in any competitive business as a proprietor, partner, investor, shareholder, director, officer, employee, principal, agent, advisor, or consultant.

For a period of two years immediately following the later of (a) the expiration or termination of my employment/service/association/ownership participation or (b) the date on which I begin to comply with the terms and conditions of this Agreement, I am prohibited from engaging in any competitive business, if the other business is located at the GolfCave Store Location, within [thirty (30)] miles of the boundaries of Franchisee's GolfCave Store, or within [thirty (30)] miles of (or within) the Location (as applicable) of any other franchised or company-owned GolfCave Business in operation or under construction (regardless of how established and operated).

It is the intention of these provisions to preclude not only direct competition but also all forms of indirect competition, such as consultation for competitive businesses, service as an independent contractor for competitive businesses, or any assistance or transmission of information of any kind which would be of any assistance to a competitor. Nothing herein will prevent me from owning for investment purposes up to an aggregate of 5% of the capital stock of any competitive business, so long as the competitive business is a publicly held corporation whose stock is listed and traded on a national or regional stock exchange, or through the National Association of Securities Dealers Automated Quotation System (NASDAQ), and so long as I or Franchisee do not control the company in question.

It is the intention of these provisions that any person or entity having any legal or beneficial interest in or traceable to, down or through me to be bound by the provisions of this covenant, including (without limitation) the following individuals if they have such an interest: my spouse, brother, brother-in-law, sister, sister-in-law, parent, parent-in-law, child, son-in-law or daughter-in-law; any direct or indirect beneficiary; any partner (general or limited) or proprietor of mine; and, any other such related person or entity, regardless of how many levels or tiers

there may be between any such described person or entity and me. I further agree that upon the expiration or termination of my term of employment/service/association, I will immediately refrain from any and all contacts with GolfCave customers, for any purpose whatsoever.

I acknowledge that violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor and Franchisee for which no adequate remedy at law will be available. Accordingly, I hereby consent to the entry of an injunction procured by Franchisor or Franchisee (or both) prohibiting any conduct by me in violation of the terms of those covenants not to compete and/or restrictions on the use of confidential information set forth in this agreement. I expressly agree that it may conclusively be presumed in any legal action that any violation of the terms of these covenants not to compete was accomplished by and through my unlawful utilization of Franchisor's Confidential Information. Further, I expressly agree that any claims I may have against Franchisor will not constitute a defense to Franchisor's enforcement of the covenants not to compete set forth in this Agreement. I further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by Franchisor in connection with the enforcement of those covenants not to compete set forth in this Agreement.

If all or any portion of this covenant not to use confidential information and not to compete is held unreasonable, void, vague or illegal by any court or agency having valid jurisdiction in an unappealed final decision to which Franchisee and/or Franchisor is a party, the court or agency will be empowered to revise and/or construe the covenant to fall within permissible legal limits, and should not invalidate the entire covenant. I expressly agree to be bound by any lesser covenant subsumed within the terms of this Agreement as if the resulting covenant were separately stated in and made a part of this Agreement.

I agree that this Agreement and all relations and disputes between myself on the one hand, and Franchisee or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, are to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of New York without recourse to New York (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of New York, and if the franchised Business is located outside of New York and the provision would be enforceable under the laws of the state in which the franchised Business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Agreement is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of New York or any other state, which would not otherwise apply.

I further agree that any litigation arising out of or related to this Agreement; any breach of this Agreement; and, all relations and any and all disputes between myself on the one hand, and Franchisee or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, will be instituted exclusively in a court of competent jurisdiction in the county and state where Franchisor's principal headquarters is then-located (which is currently Union County, New Jersey). I agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in Union County, New Jersey.

I hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

I understand that the rights and remedies of Franchisor under this Agreement are fully assignable and transferable and will inure to the benefit of its respective affiliates, successors

and assigns. I further understand and agree that my and Franchisee's respective obligations tor hereunder may not be assigned by me or Franchisee, without the prior written consent of Franchisor.

Witnessed By:

(Print Name)

Witness/Date

(Signature)

(Date)

EXHIBIT E

[RESERVED]

**~~SAMPLE BY-LAWS OF GOLFCAVE FRANCHISING, LLC
REGIONAL ADVERTISING COOPERATIVE~~**

~~_____~~
~~_____~~
~~_____~~ **SAMPLE BY LAWS OF GOLFCAVE FRANCHISING, LLC**
~~_____~~ **REGIONAL ADVERTISING COOPERATIVE**

~~_____~~ **1. _____ PURPOSES**

~~_____~~ **1.01 _____ Purposes**

The purposes of ~~_____~~ (the "Corporation"), as set forth in its Certificate of Incorporation, are to provide for and establish cooperative marketing, promotion and advertising programs for the GolfCave Businesses within the ~~_____~~ Designated Market Area (the "DMA"), as defined by the Nielsen company or any successor thereto; to serve as the official voice of the members; and, to pay the administrative expenses incidental thereto.

~~_____~~ **2. _____ OFFICES**

~~_____~~ **2.01 _____ Registered Office**

The Corporation shall establish and maintain a registered office and a registered agent in the State of ~~_____~~, as required by law, and shall be qualified to conduct business in the State(s) of ~~_____~~. The Corporation may also establish and maintain offices elsewhere in furtherance of its not for profit activities as the Board of Directors (the "Board") of the Corporation may deem appropriate.

~~_____~~ **3. _____ SEAL**

~~_____~~ **3.01 _____ Seal**

The seal of the Corporation shall be in such form as the Board of Directors shall prescribe.

~~_____~~ **4. _____ MEMBERSHIP**

~~_____~~ **4.01 _____ Qualifications**

The Corporation shall have one class of membership. Any GolfCave franchisee who operates a GolfCave Business located within the DMA under license granted by GolfCave Franchising, LLC ("Franchisor") for such purpose or representative of any company-owned GolfCave Business shall be eligible for membership in the Corporation, providing that such license granted by is in good standing. "Good standing", for the purpose of the preceding sentence, shall mean that the license granted by Franchisor to operate a GolfCave Business in the DMA has not been terminated and has not expired.

~~_____~~ **4.02 _____ Admission of Members**

Any person, partnership, corporation or other entity eligible for membership shall become a member immediately upon his or its execution of a membership pledge agreement, the form and terms of which shall be established by the Board.

Each new member shall be bound by, observe, participate in and when applicable, contribute to all programs, campaigns, policies and determinations of the Corporation which, by virtue of prior corporate action, are in effect on the date of membership admission.

~~_____~~ **4.03 _____ Voting Rights of Members**

Each member in good standing shall be entitled to one vote for each GolfCave Business operated by such member in the DMA under license from Franchisor. Notwithstanding anything to the contrary set forth in these By-Laws, if a GolfCave Business is operated by two or more co-venturers, such co-venturers collectively, and not individually, shall be entitled to exercise the voting rights which may arise by virtue thereof; and, for the purpose of determining voting rights hereunder, no individual co-venturer shall be deemed to so operate any such business.

~~_____~~ **4.04 _____ Transfer of Membership**

Membership in the Corporation shall not be transferable or assignable.

~~_____~~ **4.05 _____ Member's Sale of Unit**

In the event that a member sells or otherwise transfers his or its GolfCave Business and, by virtue

thereof, no longer is eligible for membership in the Corporation, such member shall not be liable for any contributions which accrue during the balance of the Corporation's fiscal year from the date that such sale or transfer becomes effective. Upon the purchase of the GolfCave Business, the purchaser shall immediately apply for membership in the Corporation and the purchaser's liability for all such contributions shall commence as of the date of purchase.

~~4.06~~ ~~Other Associations~~

~~Nothing contained herein shall be construed as restricting any member from membership in any other association of GolfCave licensees or franchisees.~~

~~4.07~~ ~~Suspension; Expulsion~~

~~A member may be suspended for a period, or expelled, for cause, such as for a violation of any of the By-Laws or rules of the Corporation or failure promptly to pay when due duly authorized dues and/or assessments of the Corporation (as provided for in Section 12.01 of these By-Laws) or for conduct prejudicial to the best interests of the Corporation. Suspension or expulsion shall require the affirmative vote of two-thirds of the directors present and voting at a meeting of the Board. Except as set forth below, any suspension or expulsion of any member shall be referred by the Board to the membership for a vote on expulsion and any expulsion shall require the affirmative vote equal to or greater than 75% of the votes cast (in person or by proxy) at the membership meeting convened inter alia to consider such actions. No suspension shall be effective unless a statement of the charges shall have been mailed by registered mail to the member proposed to be suspended or expelled at his or her last known address at least fifteen days before the meeting of membership at which final action on the suspension or expulsion is to be taken. Such notice shall state the time and place where the meeting of the membership is to take place, and shall specify the grounds upon which such suspension or expulsion is sought. The member shall be given an opportunity at the meeting to present any information relevant to the question of suspension or expulsion. A member who is suspended or expelled shall have no recourse or claim against the Corporation or any director, officer, employee, agent or member of the Corporation by reason of such suspension or expulsion and shall remain liable for all contributions due and owing prior to the date on which the membership votes to suspend or expel the member. Notwithstanding anything to the contrary set forth above, if a member no longer has a license in good standing to operate a GolfCave Business in the DMA (as defined by Section 4.01 of these By-Laws), expulsion of such member shall be automatic and shall not require a meeting or vote of the Board or of the membership.~~

~~4.08~~ ~~Reinstatement~~

~~A. Any former member may, by written request delivered to and filed with the Secretary of the Corporation, make application to the Board of Directors for reinstatement as a member of the Corporation.~~

~~B. The Board of Directors, by a vote of two-thirds of the entire membership of the Board, may reinstate such former member to membership at any time upon such terms as the Board of Directors, in its discretion, deems appropriate, subject to the conditions precedent in sub-section C, below.~~

~~C. As conditions precedent to the restoration of membership: (i) the former member must be eligible for membership as provided in Section 4.03 of these By-Laws, and (ii) the Board of Directors may provide for the payment of contributions which accrued during the intervening period between resignation, suspension or expulsion and reinstatement.~~

~~5.~~ ~~MEETINGS OF MEMBERS~~

~~5.01~~ ~~Place of Meeting~~

~~Meetings of the membership of the Corporation shall be held at such place(s) within the DMA as may be fixed by the Board as the place(s) of meeting for any quarterly, special, or annual meeting.~~

~~5.02~~ ~~Quarterly Meetings~~

~~Meetings of the membership of the Corporation shall be held on the third Tuesday of each of the following months; September, December, March and June, at such times and places as shall be designated by the Board. If the scheduled date of any such meeting is a legal holiday, the meeting~~

shall be held on the next succeeding business day not a legal holiday.

~~5.03~~ ~~Annual Meeting~~

The annual meeting of the membership, for the election of directors and the transaction of any other business which may be lawfully brought before the meeting, shall be held at nine o'clock A.M. on the third Tuesday in September of each year, if not a legal holiday, and if a legal holiday, then on the next succeeding business day not a legal holiday, unless the Board shall designate some other hour or date therefor. If for any reason such meeting is not held at the time fixed therefor, such election may be held at a subsequent meeting called for that purpose.

~~5.04~~ ~~Special Meetings~~

Special meetings of the membership may be called by a majority of the Board of Directors or by written demand of not less than one-fourth of the membership of the Corporation entitled to vote at such meeting.

~~5.05~~ ~~Notice of Meetings; Waiver of Notice~~

Written notice of each meeting of the membership of the Corporation shall be given to each member by the Secretary. Each notice of meeting shall be given, personally or by mail, not less than five nor more than thirty days before the meeting, and shall state the time and place of the meeting, and, unless it is the annual meeting or a quarterly meeting, shall state at whose direction the meeting is called and the purpose(s) for which it is called. If mailed, notice shall be considered given when mailed to a member at his or its last known address on the Corporation's records. Notice need not be given to any member who submits a signed waiver of notice before or after the meeting, or who attends the meeting without protesting before the end of the meeting the lack of notice to him or it.

~~5.06~~ ~~Organization~~

At every meeting of the membership, the Chairman of the Board, or in his absence a Vice President, or in the absence of the Chairman and all of the Vice Presidents, a chairman chosen by the members, shall act as chairman; and the Secretary, or in his absence, a person appointed by the chairman, shall act as secretary.

~~5.07~~ ~~Quorum~~

The presence, in person or by written proxy, of members entitled to cast at least a majority of the votes which all members are entitled to cast shall constitute a quorum. A quorum once having been constituted for a meeting, whether monthly, annual, special, shall be deemed to continue until such meeting is adjourned. In the absence of a quorum, any officer entitled to preside at or to act as secretary of the meeting may adjourn the meeting until a quorum is present. At any adjourned meeting at which a quorum is present, any action may be taken which might have been taken at the meeting as originally called.

~~5.08~~ ~~Voting~~

A. All matters voted upon by membership shall be decided by the vote of 75% of the votes cast by those members voting in person or by written proxy, except as otherwise provided by law, by the Certificate of Incorporation, or by these By-Laws. Any member may request that a roll call vote be taken with respect to the vote on any issue.

B. When electing directors, each member shall be entitled to cast the number of votes as shall equal the number of votes he or it is allocated under Section 5.03 of these By-Laws multiplied by the number of directors to be elected (for which such member's votes are eligible), and each member may cast all such votes for a single director or may distribute them among some or all of the number of directors to be elected, as said member sees fit.

C. The chairman at any meeting of the membership may, in his discretion, appoint one or more persons to act as inspectors or tellers, to receive, canvass and report the votes cast by the membership at such meeting provided, however, that no candidate for the office of director shall be appointed an inspector or teller at any meeting for the election of directors. The use of written ballots shall not be required for valid action to be taken at any meeting of the members.

D. At any meeting of the members (except those held pursuant to Section 5.05 of these By-Laws),

any member may vote by written proxy. All proxies must be submitted to the Secretary of the Corporation, or, in his absence, any person appointed to act as secretary, at or before the meeting for which said proxies are given.

~~5.09~~ ~~Participation in Meetings~~

~~One or more members may participate in a meeting of the membership by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other. The membership may designate one member to act as Sergeant of Arms at any meeting of members, and the individual so designated shall have the right to expel disorderly members and refuse admittance to non-members.~~

~~5.10~~ ~~Action by Members Without Formal Meeting~~

~~Any action required to be taken at a meeting of the members of the Corporation (except for the election of Directors), or any other action which may or might be taken at a meeting of members, may be taken without a meeting if a written consent setting forth, with specificity, the action to be taken is signed by members who, in the aggregate, possess 75% percent of total membership votes, as calculated in Section 5.08 above.~~

~~5.11~~ ~~Discussion by Members~~

~~At any meeting, no member shall speak longer than five minutes at any one time, except with the approval of a majority vote of the members present.~~

~~5.12~~ ~~Order of GolfCave Business~~

~~The order of business at meetings of members shall be as follows:~~

- ~~1. Attendance Record.~~
- ~~2. Proof of Notice of Meeting or Waiver of Notice.~~
- ~~3. Reading of Minutes of Preceding Meeting.~~
- ~~4. Report of Board.~~
- ~~5. Election of Board (where appropriate).~~
- ~~6. Old GolfCave Business.~~
- ~~7. New GolfCave Business.~~
- ~~8. Adjournment.~~

~~6.~~ ~~BOARD OF DIRECTORS~~

~~6.01~~ ~~General Powers~~

~~The property and affairs of the Corporation shall be managed by the Board of Directors subject, however, to the understanding that all major issues, questions and policy determinations shall, if feasible or appropriate, first be submitted to and voted upon by members at any quarterly, annual, or special meeting. The powers of the Board shall include, but shall not be limited to:~~

- ~~(a) appointment of subordinate officers and employees of the Corporation;~~
- ~~(b) development, with the assistance of such committees as the Board shall deem advisable, of policies and programs designed to promote the purposes for which the Corporation was formed;~~
- ~~(c) establishment and preparation of budgets, including an annual budget, to be proposed to and voted upon by the membership to effectuate those programs, activities and functions of the Corporation;~~
- ~~(d) expenditure of up to Ten Thousand Dollars (\$10,000.00), without membership approval, where action to the advantage of the Corporation must be undertaken expeditiously and, in the given circumstances, time is of the essence and procuring membership approval is not feasible; and,~~
- ~~(e) establishment of the Corporation's office and preparation of its administrative budget.~~

~~6.02~~ ~~Number, Qualification, Election and Term of Directors~~

~~The Board shall consist of nine directors, each of whom shall be at least 21 years old. Each such director shall himself be a member, and shall be elected by members. At the initial election of directors, the term of three directors shall be for one year; the term of three directors shall be for two years; and the term of three directors shall be for three years. At each succeeding annual~~

election, the members shall elect one director to succeed to the offices of each director whose term has expired. Subsequent to the initial terms of directors provided for herein, directors shall hold office for a term of three years and until the election of their respective successors.

~~6.03~~ ~~Quorum and Manner of Acting~~

~~A majority of the entire Board shall constitute a quorum for the transaction of business at any meeting. A quorum once having been constituted for a meeting shall be deemed to continue until such meeting is adjourned. Action by the Board shall be authorized by the affirmative vote of at least two-thirds of the directors present entitled to vote, even if such vote constitutes less than a majority of the votes which all directors would be entitled to cast. In the absence of a quorum, a majority of the directors present may adjourn any meeting from time to time until a quorum is present.~~

~~6.04~~ ~~Place of Meetings~~

~~Meetings of the Board shall be held within the DMA.~~

~~6.05~~ ~~Annual and Quarterly Meetings~~

~~Annual meetings of the Board shall be held either: (a) without notice immediately after the annual meeting of the membership, and at the same place, or (b) as soon as practicable after the annual meeting of the membership, on notice as provided above in Section 6.07 of these By-Laws. Quarterly meetings of the Board shall be held without formal notice immediately after the quarterly meeting of members, and at the same place, or at such times and places as the Board determines by prior written notice. If the day fixed for a regular meeting is a legal holiday, the meeting shall be held on the next succeeding business day not a legal holiday.~~

~~6.06~~ ~~Special Meetings~~

~~Special meetings of the Board may be called by the Chairman of the Board or by any two (2) of the directors. Only business related to the purposes set forth in the notice of the meeting may be transacted at such a special meeting.~~

~~6.07~~ ~~Notice of Meetings; Waiver of Notice~~

~~Notice of the time and place of each special meeting of the Board, and of each annual or quarterly meeting not held immediately after the respective meetings of the membership and at the same place, shall be given to each director at least 10 days before the meeting or, with regard to special meetings only, by delivering or telephoning or telegraphing notice to him at least two (2) hours before the meeting. Notice need not be given to any director who submits a signed waiver of notice before or after the meeting, or who attends the meeting without protesting before the end of the meeting the lack of notice to him.~~

~~6.08~~ ~~Action Without a Meeting.~~

~~Unless specifically prohibited by statute, the Certificate of Incorporation or these By-Laws, any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if a written consent to such action is signed by all members of the Board. Such written consent or consents shall be filed with the minutes or proceedings of the Board or committee.~~

~~6.09~~ ~~Telephone Meeting.~~

~~Any or all of the Directors may participate in a meeting of the Board by means of a telephone conference or any other means of communication by which all persons participating in the meeting are able to hear and speak with each other.~~

~~6.10~~ ~~Resignation and Removal of Directors~~

~~Any director may resign at any time. Any or all of the directors may be removed at any time by a vote of two-thirds of all of the members of that director's geographic region; provided, however, in the event that the membership of a director has been terminated, has expired or does not otherwise subsist, such director shall, for all purposes be deemed removed from the Board effective simultaneously with the effective date of expulsion or suspension of such director's~~

~~membership.~~

~~6.11~~ ~~Vacancies~~

~~Any vacancy in the Board, including one created by an increase in the number of directors, may be filled for the unexpired term by a majority vote of the members present and voting at a meeting of members.~~

~~6.12~~ ~~Annual Report of Directors~~

~~The Board of Directors shall present at each annual meeting of members its report, which shall set forth the statements and shall be verified or certified in the manner prescribed by Section 519 of the Not for Profit Corporation Law of the State of New York. Such report shall be filed with the records of the corporation and either a copy or an abstract of such annual report shall be distributed or available for distribution at each annual meeting of members.~~

~~7.~~ ~~COMMITTEES~~

~~7.01~~ ~~Committees~~

~~The Board, by resolution adopted by a majority of the entire Board, may designate such committees composed of directors, members who are not directors, or a combination of both, to serve at the Board's pleasure, with such powers and duties and for such purposes as the Board determines.~~

~~8.~~ ~~OFFICERS~~

~~8.01~~ ~~Number~~

~~The officers of the Corporation shall be the President, one or more Vice Presidents, a Secretary, and a Treasurer. Not more than one (1) office may be held by the same person or entity. A director may serve as an officer of the Corporation.~~

~~8.02~~ ~~Appointment; Term of Office~~

~~The officers of the Corporation shall be appointed annually by the Board and shall hold office for one (1) year and until the next annual meeting of the membership and the appointment and qualification of his or her successor. Immediately after election of the Board, the directors shall appoint a Chairman of the Board, who shall thereafter be appointed by the Board to serve as President of the Corporation throughout his or her term. Immediately thereafter all other officers shall also be appointed by the Board of Directors.~~

~~8.03~~ ~~Resignation and Removal of Officers~~

~~Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary of the Corporation. Any officer appointed by the Board may be removed either with or without cause by a vote of two-thirds of the members of the Board present and voting at any meeting of the Board.~~

~~8.04~~ ~~Vacancies~~

~~A vacancy in any office may be filled for the unexpired term in the manner prescribed in these By-Laws for appointment to that office.~~

~~8.05~~ ~~The President~~

~~The president, who shall be a director, shall be the chief executive officer of the Corporation and shall preside at all meetings of the Board and of the membership. Subject to the control of the Board, he shall have general supervision over the business of the Corporation and shall have such other powers and duties as presidents of corporations usually have or as the Board assigns to him.~~

~~8.06~~ ~~Vice President~~

~~Each Vice President shall have such powers and duties as the Board or the President assigns to him.~~

~~8.07~~ ~~The Treasurer~~

~~The Treasurer shall be the chief financial officer of the Corporation and shall be in charge of the Corporation's books and accounts. Subject to the control of the Board, he shall have such other powers and duties as the Board or the President assigns to him or her.~~

~~8.08~~ ~~The Secretary~~

~~The Secretary shall be the secretary of, and keep the minutes of, all meetings of the Board and of the members; shall be responsible for giving notice of all meetings of the membership and of the Board; and, shall keep the Corporation's seal and, when authorized by the Board, shall apply it to any instrument requiring it. Subject to the control of the Board, he or she shall have such other powers and duties as the Board or the President assigns to him or her. The Board may, in its discretion, appoint an Assistant Secretary who shall possess and discharge such powers and duties as the Board may prescribe. In the absence of the Secretary from any meeting, the minutes shall be kept by the person appointed for that purpose by the chairman of the Board.~~

~~9. _____ CORPORATE FUNDS~~

~~9.01 _____ General Use of Funds~~

~~Funds in any Regional Advertising cooperative shall be expended for any and all or a combination of the following purposes: (i) development of advertising ideas and concepts; (ii) development of market research and merchandising programs; (iii) preparation of advertising campaigns; (iv) development of promotional ideas and strategies; (v) preparation of collateral creative materials; (vi) preparation of advertisements (including writing, filming, editing, etc.); (vii) planning, negotiation, contracting and trafficking all media programs; (viii) technical and professional advice in connection with the above; (ix) other public relations; and, (x) administration of the Cooperative, including legal and accounting services.~~

~~It shall be required that all, or as great a percentage as practicable, of the funds received in any given fiscal year by the Corporation from its members be expended for the above purposes during that fiscal year.~~

~~9.02 _____ Contracts~~

~~The Board of Directors, after having first secured the approval of the membership (when feasible and appropriate) may, from time to time, authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these By-Laws, and singly or jointly or in any other manner, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.~~

~~9.03 _____ Checks, Drafts, Etc.~~

~~All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents, of the Corporation and in such manner as shall, from time to time, be determined by resolution of the Board of Directors.~~

~~9.04 _____ Deposits~~

~~All funds of the Corporation shall be promptly deposited, from time to time, to the credit of the Corporation in such banks, trust companies, or other depositories as the Board may select.~~

~~9.05 _____ Gifts~~

~~The Board may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.~~

~~10. _____ MEMBERSHIP CERTIFICATES~~

~~10.01 _____ Membership Certificates~~

~~The Board may provide for the issuance of membership certificates evidencing status as a member in the Corporation, which certificates shall be in such form as determined by the Board; shall be non-transferable; and, shall bear on the face thereof, a conspicuous notation that the Corporation is a not-for-profit corporation and that the membership certificate is non-transferable. Such certificates shall be signed by the President or a Vice-President and by the Secretary or any Assistant Secretary and shall be sealed with the seal of the Corporation. The name, address and location of the GolfCave Business of each member and the date of issuance of the certificate shall be entered on the records of the Corporation. If any certificate shall become lost, mutilated or destroyed, a new certificate may be issued therefor, upon such terms and conditions as the Board may determine.~~

~~11. BOOKS AND RECORDS~~

~~11.01 Books and Records~~

~~The Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its membership, its Board of Directors and any committees having any of the authority of the board, and shall also keep a record bearing the names and addresses of Corporation members. All books and records of the Corporation shall be kept at the registered office or principal office of the Corporation and shall not be removed from such place except as necessary for purposes of auditing such books and records. All books and records of the Corporation may be inspected by any member or anyone authorized by law or contract for any proper purpose at any reasonable time, upon the giving of prior written notice to the President, Treasurer or Secretary or such other officer or person as the Board may determine.~~

~~11.02 Financial Statements~~

~~The Corporation will not be required to prepare annual or periodic financial statements. However, any financial statements that are generated as part of the books and records of the Corporation will be available for review by franchisee members of the Corporation. The Corporation will provide financial information about the Corporation's operations upon request of the Board of the Corporation, and the Board will then, in its discretion, present the report to the franchisees and the other members of the Corporation at the next regular meeting or at a special meeting.~~

~~12. PAYMENTS BY MEMBERS~~

~~12.01 Amount and Payment of Dues and Assessments~~

~~Each member shall pay to the Corporation annual dues of One Hundred (\$100) Dollars per GolfCave Business operated by such member, payable simultaneously with delivery of such member's membership pledge agreement; provided, however, the amount of the annual dues shall be subject to modification by the Board from time to time as the Board, in its sole discretion, deems appropriate. In addition, each member shall be required to pay a monthly assessment which shall be computed based on a percentage of the prior month's "Gross Revenues", as such term is defined in the Franchise Agreement. Such percentage shall be not less than one (1%) percent and shall not exceed two (2%) percent unless authorized by a vote of at least seventy-five (75%) percent of the members. Unless otherwise prescribed by the Board, all monthly assessments shall be due and payable the fifteenth (15th) day of each month for the preceding month.~~

~~12.02 Fines and Penalties~~

~~The Board shall have the power to impose such fines and/or penalties upon any member, as the Board, in its sole discretion, deems appropriate as a result of a member's violation of any of the By-Laws or rules of the Corporation or failure promptly to pay when due duly authorized dues and/or special assessments of the Corporation, or for conduct prejudicial to the Corporation. Any such fines and/or penalties shall be due and payable on such terms as are fixed by the Board.~~

~~12.03 Default and Termination of Membership~~

~~When any member shall be in default in the payment of any fees, dues, assessments, fines or penalties for a period of sixty (60) days from the beginning of the period for which such amounts become payable, his or its membership may thereupon be terminated in the manner provided in Section 4.07 of these By-Laws. In addition, such default may result in termination of the member's rights under his/its Franchise Agreement.~~

~~12.04 Payments Non-Refundable~~

~~Except upon the affirmative vote of seventy-five (75%) percent of the members present and voting (in person or by proxy) at any meeting of members, no member shall be entitled to a refund of any part of the dues, assessments, fines and/or penalties paid by such member to the Corporation.~~

~~13. INDEMNIFICATION OF DIRECTORS, OFFICERS, AND COMMITTEE MEMBERS~~

~~13.01 Right to Indemnification~~

The Corporation shall indemnify any person who is or was a party to or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a director, officer, or member of a committee of the Corporation as follows:

A. ~~—————~~ If the action, suit or proceeding is not by or in the right of the Corporation:

~~(1) against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith to the extent that he has been successful on the merits or otherwise in defense of such action, suit or proceeding, or of any claim, issue or matter therein, and~~
~~(2) against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection therewith if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, or, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.~~

B. ~~—————~~ If the action, suit or proceeding is by or in the right of the Corporation:

~~(1) against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith to the extent that he has been successful on the merits or otherwise in defense of such action, suit or proceeding, of any claim, issue or matter therein, and~~
~~(2) against expenses (including attorneys' fees), judgments and amounts paid in settlement actually and reasonably incurred by him in connection with the defense or settlement thereof if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have adjudged to be liable to the Corporation for negligence or misconduct in the performance of his duty to the Corporation unless and only to the extent that a court of record of the county in which the registered office of the Corporation is located or the court in which such action, suit, or proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity.~~

~~13.02~~ ~~—————~~ Procedure to be Followed

Any indemnification under paragraph (a)(2) or (b)(2) of Section 13.01 above (unless ordered by a court or made pursuant to a determination by a court as hereinafter provided) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, committee member or any other person who qualifies for indemnification under this

Article 13 is proper under the circumstances because he has satisfied the requirements for indemnification as set forth in paragraphs A.(2) or B.(2) of Section 13.01 of these By-Laws, as the case may be. This determination shall be made (a) by independent legal counsel not in the employ of the Corporation in a written opinion, or (b) by the membership. In the absence of a determination that indemnification is proper as aforesaid, the director, officer, committee member, or other qualifying person may make application to a court of the county in which the registered office of the Corporation is located or the court in which the action, suit or proceeding was brought, which shall determine whether the trustee, officer, committee member or other qualifying person has met the applicable requirements for indemnification. If the court shall determine that indemnification is proper, indemnification shall be made under such paragraphs A.(2) or B.(2) of Section 13.01 of these By-Laws, as the case may be.

~~13.03~~ ~~—————~~ Payment of Expenses in Advance

Expenses incurred in defending an action, suit or proceeding referred to in Section 13.01 of these By-Laws may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the membership or by a court, in the manner provided in Section 13.02 of these By-Laws, upon receipt of an undertaking by or on behalf of the director, officer,

committee member or other qualifying person (regardless of his financial responsibility) to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation as authorized in this Article 13.

~~13.04~~ ~~Other Rights~~

The indemnification provided by these By-Laws shall not be deemed exclusive of any other rights to which a person seeking indemnification may be entitled under any agreement, vote of members, or otherwise both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer or committee member and shall inure to the benefit of the heirs, executors and administrators of such a person.

~~13.05~~ ~~Insurance~~

The Corporation shall have the power to purchase and maintain on behalf of any person who is or was a director, officer, committee member, employee or agent of the Corporation insurance against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of these By-Laws.

~~14.~~ ~~NOTICE~~

~~14.01~~ ~~Notice~~

Any notice required to be given to any member, director, or officer under the provisions of these By-Laws, or otherwise, shall be in writing and shall (subject to the provisions of law, these By-Laws, and the Certificate of Incorporation of the Corporation) be deemed to be sufficiently given if such notice is delivered to such member, director or officer in person (and receipted on a copy of such notice) or mailed, faxed or telegraphed to such member, director or officer at his or its address, as the same appears on the books of the Corporation.

~~14.02~~ ~~Waiver of Notice~~

Any notice required to be given under the provisions of these By-Laws, or otherwise, may (subject to the provisions of law and the Certificate of Incorporation of this Corporation), be waived by the member, director, or officer to whom such notice is required to be given.

~~15.~~ ~~AMENDMENT OF BY-LAWS~~

~~15.01~~ ~~Amendment~~

Any or all of the provisions of these By-Laws, whether contractual in nature or merely regulatory of the internal affairs of the Corporation, may be amended or repealed by vote of the members entitled to cast at least seventy-five (75%) percent of the votes which all members are entitled to cast thereon, at any regular or special meeting duly convened after notice of such purpose to the members.

EXHIBIT F

**GUARANTEE OF
GOLFCAVE FRANCHISING, LLC FRANCHISE AGREEMENT**

GUARANTEE OF GOLFCAVE FRANCHISING, LLC FRANCHISE AGREEMENT

In consideration of the execution by Franchisor of the Franchise Agreement (the "Franchise Agreement") dated as of _____ between GolfCave Franchising, LLC ("Franchisor") and _____ ("Franchisee") and for other good and valuable consideration, each of the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby absolutely and unconditionally guarantee the punctual payment of all amounts and the performance of all of the covenants, terms, conditions, agreements and undertakings contained and set forth in said Franchise Agreement and in any other agreement(s) by and between Franchisee and Franchisor.

If more than one person has executed this Guarantee, the term "the undersigned", as used herein, shall refer to each such person, and the liability of each of the undersigned hereunder shall be joint and several and primary as sureties.

The undersigned, individually and jointly, hereby agree to be personally bound by each and every covenant, term, condition, agreement and undertaking (including the noncompetition, confidentiality and transfer requirements) contained and set forth in said Franchise Agreement and any other agreement(s) by and between Franchisee and Franchisor, and agree that this Guarantee shall be construed as though the undersigned and each of them executed agreement(s) containing the identical terms and conditions of the Franchise Agreement and any other agreement(s) by and between Franchisee and Franchisor.

The undersigned hereby agree, furthermore, that without the consent of or notice to any of the undersigned and without affecting any of the obligations of the undersigned hereunder: (a) any term, covenant or condition of the Franchise Agreement may be amended, compromised, released or otherwise altered by Franchisor and Franchisee, and the undersigned do guarantee and promise to perform all the obligations of Franchisee under the Agreement as so amended, compromised, released or altered; (b) any guarantor of or party to the Franchise Agreement may be released, substituted or added; (c) any right or remedy under the Agreement, this Guarantee or any other instrument or agreement between Franchisor and Franchisee may be exercised, not exercised, impaired, modified, limited, destroyed or suspended; and, (d) Franchisor or any other person may deal in any manner with Franchisee, any of the undersigned, any party to the Franchise Agreement or any other person.

Should Franchisee be in breach or default under the Franchise Agreement or any other agreement(s) by and between Franchisee and Franchisor, Franchisor may proceed directly against any or each of the undersigned without first proceeding against Franchisee and without proceeding against or naming in such suit any other Franchisee, signatory to the Franchise Agreement or any others of the undersigned. The undersigned agree to bear any and all Franchisor's costs of collection hereunder, including all court costs and expenses, attorneys' fees, costs of or resulting from delays; travel, food, lodging and other living expenses necessitated by the need or desire to appear before courts or tribunals (including arbitration tribunals), and all other costs of collection.

Notice to or demand upon Franchisee or any of the undersigned shall be deemed notice to or demand upon Franchisee and all of the undersigned, and no notice or demand need be made to or upon any or all of the undersigned. The cessation of or release from liability of Franchisee or any of the undersigned shall not relieve any other Guarantors from liability hereunder, under the Franchise Agreement, or under any other agreement(s) between Franchisor and Franchisee, except to the extent that the breach or default has been remedied or moneys owed have been paid.

Any waiver, extension of time or other indulgence granted by Franchisor or its agents, successors or assigns, with respect to the Franchise Agreement or any other agreement(s) by and between Franchisee and Franchisor, shall in no way modify or amend this Guarantee, which shall be continuing, absolute, unconditional and irrevocable.

It is understood and agreed by the undersigned that the provisions, covenants and conditions of this Guarantee shall inure to the benefit of the Franchisor, its successors and assigns. This

Guarantee may be assigned by Franchisor voluntarily or by operation of law without reducing or modifying the liability of the undersigned hereunder.

This Guarantee is to be exclusively construed in accordance with and/or governed by the law of the State of New York without recourse to New York (or any other) choice of law or conflicts of law principles. If, however, any provision of this Guarantee would not be enforceable under the laws of New York, and if the business franchised under the Franchise Agreement is located outside of New York and the provision would be enforceable under the laws of the state in which the franchised business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Guarantee is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of New York or any other state, which would not otherwise apply by its terms jurisdictionally or otherwise but for the within designation of governing law or which, by virtue of its denominated geographic or subject matter scope, would not by its terms otherwise apply.

Any litigation arising out of or related to this Guarantee will be instituted exclusively in a court of competent jurisdiction in the state and county where Franchisor's principal headquarters is then located (currently, Union County, New Jersey). The undersigned agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in the state and county where Franchisor's principal headquarters is then located (currently, Union County, New Jersey). The undersigned hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

Should any one or more provisions of this Guarantee be determined to be illegal or unenforceable, all other provisions shall nevertheless be effective.

IN WITNESS WHEREOF, each of the undersigned has executed this Guarantee effective as of the date of the Franchise Agreement.

Attest:

By: _____

Signature

Printed Name

Address

Attest:

By: _____

Signature

Printed Name

Address

Attest:

By: _____

Signature

Printed Name

Address

EXHIBIT G

GENERAL RELEASE – SUCCESSOR FRANCHISE

GENERAL RELEASE

To all to whom these Presents shall come or may Concern, Know That _____ [a corporation/limited liability company organized under the laws of the State of _____][an individual domiciled in the State of _____] as RELEASOR, in consideration of the execution by GolfCave Franchising, LLC of a Successor Franchise Agreement regarding the franchise between RELEASOR and GolfCave Franchising, LLC (the "Franchise Agreement"), and other good and valuable consideration, hereby releases and discharges FolfCave Franchising, LLC as RELEASEE; RELEASEE'S corporate parents, subsidiaries or affiliates; and, the respective officers, directors, Managers, shareholders, owners, agents, attorneys, contractors and employees of each of the foregoing (in their corporate and individual capacities), along with RELEASEE'S heirs, executors, administrators, successors and assigns, from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law, admiralty or equity, which against the RELEASEE, the RELEASOR, RELEASOR'S heirs, executors, administrators, successors and assigns ever had, now have or hereafter can, shall or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of this RELEASE arising out of or related to the Franchise Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that nothing contained in this release is intended to disclaim or require RELEASOR to waive reliance on any representation that RELEASEE made in the Franchise Disclosure Document that RELEASEE provided to RELEASOR; and provided further that all liabilities arising under Indiana Code Sec. 23-2-2.7 and/or the Maryland Franchise Registration and Disclosure Law and/or and the Washington Franchise Investment Protection Act (RCW 19.100) are excluded from this release, and that all rights enjoyed by RELEASOR under said Franchise Agreement and any causes of action arising in his, her or its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law, Section 687.4 and 687.5 be satisfied. If RELEASOR is domiciled or has his or her principal place of business in the State of California, then RELEASOR hereby expressly waives and relinquishes all rights and benefits under Section 1542 of the California Civil Code, which provides: "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."

Whenever the text hereof requires, the use of singular number shall include the appropriate plural number as the text of the within instrument may require.

This RELEASE may not be changed orally.

IN WITNESS WHEREOF, the RELEASOR (if an individual) has executed this RELEASE, and (if a business entity) has caused this RELEASE to be executed by a duly authorized officer and its corporate seal to be hereunto affixed on _____, _____.

RELEASOR

[SEAL]

By _____

ACKNOWLEDGMENT FOR BUSINESS ENTITY RELEASOR

STATE OF _____
COUNTY OF _____ ss.:

On _____, _____ before me _____,
personally came _____, to me known, who, by me duly sworn, did depose and say that
deponent resides at _____, that deponent is
the _____ of _____, the company described in the foregoing RELEASE, and which
executed said RELEASE, that deponent knows the seal of the company, that the seal affixed to the
RELEASE is the corporate seal, that it was affixed by order of the board of directors or managers of the
company; and that deponent signed deponent's name by like order.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

Notary Public

My Commission expires: _____

(NOTARIAL SEAL)

ACKNOWLEDGMENT FOR INDIVIDUAL RELEASOR

STATE OF _____
COUNTY OF _____ ss.:

On this ___ day of _____, _____, before me _____, the undersigned
(Name of Notary)
officer, personally appeared _____, to me personally known, and known to me to be the
same person whose name is signed to the foregoing RELEASE, and acknowledged the execution thereof for
the uses and purposes therein set forth.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

Notary Public

My Commission expires: _____

(NOTARIAL SEAL)

EXHIBIT H

GENERAL RELEASE - ASSIGNMENT

GENERAL RELEASE

To all to whom these Presents shall come or may Concern, Know That _____ [a corporation/limited liability company organized under the laws of the State of _____][an individual domiciled in the State of _____] as RELEASOR, in consideration of the consent of GolfCave Franchising, LLC to the Assignment of the Franchise Agreement between RELEASOR and GolfCave Franchising, LLC (the "Franchise Agreement") to _____, and other good and valuable consideration, hereby releases and discharges GolfCave Franchising, LLC as RELEASEE, RELEASEE'S corporate parents, subsidiaries or affiliates and the respective officers, directors, Managers, shareholders, owners, agents, attorneys, contractors and employees of each of the foregoing entities (in their corporate and individual capacities), and RELEASEE'S heirs, executors, administrators, successors and assigns, from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law, admiralty or equity, which against the RELEASEE, the RELEASOR, RELEASOR'S heirs, executors, administrators, successors and assigns ever had, now have or hereafter can, shall or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of this RELEASE, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that nothing contained in this release is intended to disclaim or require RELEASOR to waive reliance on any representation that RELEASEE made in the Franchise Disclosure Document that RELEASEE provided to RELEASOR; provided further that all liabilities arising under Indiana Code Sec. 23-2-2.7 and/or the Maryland Franchise Registration and Disclosure Law and/or and the Washington Franchise Investment Protection Act (RCW 19.100) are excluded from this release, and that all rights enjoyed by RELEASOR under said Franchise Agreement and any causes of action arising in his, her or its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law, Section 687.4 and 687.5 be satisfied. If RELEASOR is domiciled or has his or her principal place of business in the State of California, then RELEASOR hereby expressly waives and relinquishes all rights and benefits under Section 1542 of the California Civil Code, which provides: "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."

Whenever the text hereof requires, the use of singular number shall include the appropriate plural number as the text of the within instrument may require.

This RELEASE may not be changed orally.

IN WITNESS WHEREOF, the RELEASOR (if an individual) has executed this RELEASE, and (if a business entity) has caused this RELEASE to be executed by a duly authorized officer and its corporate seal to be hereunto affixed on _____, _____.

RELEASOR

[SEAL]

By _____

ACKNOWLEDGMENT FOR BUSINESS ENTITY RELEASOR

STATE OF _____

ss.:

COUNTY OF _____

On _____, _____ before me _____, personally came _____, to me known, who, by me duly sworn, did depose and say that deponent resides at _____, that deponent is the _____ of _____, the company described in the foregoing RELEASE, and which executed said RELEASE, that deponent knows the seal of the company, that the seal affixed to the RELEASE is the corporate seal, that it was affixed by order of the board of directors or managers of the company; and that deponent signed deponent's name by like order.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

Notary Public

My Commission expires: _____

(NOTARIAL SEAL)

ACKNOWLEDGMENT FOR INDIVIDUAL RELEASOR

STATE OF _____

ss.:

COUNTY OF _____

On this ___ day of _____, _____, before me _____, the undersigned officer, personally appeared _____, to me personally known, and known to me to be the same person whose name is signed to the foregoing RELEASE, and acknowledged the execution thereof for the uses and purposes therein set forth.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

Notary Public

My Commission expires: _____

(NOTARIAL SEAL)

EXHIBIT I

LISTING OF OWNERS OF FRANCHISEE AND OWNERSHIP INTERESTS

Effective Date: This Exhibit I is current and complete as of _____ [DATE].

1. **Form of Franchisee Owner.** (Please select either (a) or (b) below).

(a) **Individual Proprietorship.** List individual(s):

Name:

Name:

Name:

Name:

(b) **Corporation, Limited Liability Company, or Partnership.** (CIRCLE ONE) You were incorporated or formed on _____, under the laws of the State of _____. You have not conducted business under any name other than your corporate, limited liability company, or partnership name and _____.

2. **Owners, Directors/Officers.** The following list includes the full name and address of each person who is one of your owners, shareholders, members, partners, directors, officers or an owner of one of your owners, and fully describes the nature of each of their respective ownership interest (attach additional pages, if necessary).

Name: _____ Address: _____ _____ Type of Interest: _____ Number Units Owned: _____ Number Entitled to Vote: _____ % of Total Units of Franchisee: _____ Title (if officer or director): _____	Name: _____ Address: _____ _____ Type of Interest: _____ Number Units Owned: _____ Number Entitled to Vote: _____ % of Total Units of Franchisee: _____ Title (if officer or director): _____
Name: _____ Address: _____ _____ Type of Interest: _____ Number Units Owned: _____ Number Entitled to Vote: _____ % of Total Units of Franchisee: _____ Title (if officer or director): _____	Name: _____ Address: _____ _____ Type of Interest: _____ Number Units Owned: _____ Number Entitled to Vote: _____ % of Total Units of Franchisee: _____ Title (if officer or director): _____

3. **Name and Address of Person to Receive Notice for Franchisee.** (If different than what is stated in the Franchise Agreement)

Name: _____

Postal Address: _____

E-mail Address: _____

4. **Identification of the Managing Owner and the Business Manager.** The shareholder, member, partner or other owner of equity in Franchisee who is responsible for overseeing and supervising the operation of the franchised GolfCave Store or overseeing its General Manager as _____ of _____ the _____ Effective _____ Date _____ is _____ (must be one of the principal owners listed in Section 2 above). You may not change Managing Owner without our prior written approval.

5. The "Business Manager" as _____ of _____ the _____ Effective _____ Date _____ is _____ . You may not change Business Manager without our prior written approval.

6. **Update of Exhibit I.** You and your owners agree to update, sign and deliver to us from time to time a revised Exhibit I to reflect all future permitted changes in this information.

FRANCHISEE:

[Print Name of Franchisee Entity]

By: _____

Name: _____

Title: _____

RECEIPT ACKNOWLEDGED:

FRANCHISOR:

GolfCave Franchising, LLC

By: _____

Name: _____

Title: _____

Date: _____

|

EXHIBIT J
SOFTWARE LICENSE AGREEMENT

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SOFTWARE LICENSE AGREEMENT

THIS SOFTWARE LICENSE AGREEMENT (this "Agreement") is made and entered into as of _____, between GOLFCAVE FRANCHISING, LLC a New Jersey limited liability company with its principal office at 1 Clarkton Drive, Clark, NJ 07066 ("Licensor") and

whose principal address is _____ ("Licensee").

1. GRANT OF LICENSE

1.01 Grant of License

Licensor grants to Licensee a nontransferable, nonexclusive ~~single-site~~ license for the use of those computer programs, system documentation manuals and other materials (hereinafter collectively referred to as "GolfCave Software" or the "Software") supplied by Licensor to Licensee during the term of this Agreement, pursuant to the terms of that certain Franchise Agreement (the "Franchise Agreement") between GolfCave Franchising LLC and Licensee dated _____ regarding a franchised outlet at _____, for use only for purposes of the single GolfCave franchised "Business" defined in and the subject of the Franchise Agreement.

1.02 Revisions, Additions and Deletions

Licensor may, from time to time, revise GolfCave Software or any part of the Software. In doing so, Licensor incurs no obligation to furnish ~~thesesaid~~ revisions to Licensee or other licensees in the GolfCave franchise network. Licensor reserves the right to add and/or delete, at its sole option, computer programs and/or features to GolfCave Software. If Licensor furnishes Licensee with revisions or additions to GolfCave Software, Licensor specifically reserves the right to charge Licensee for them at the prices and on the terms that Licensor determines at its sole option, including, without limitation, any costs associated with installation of computer hardware, equipment, connections, data systems, software, etc. Any updates, replacements, revisions, enhancements, additions or conversions to GolfCave Software furnished by Licensor to Licensee will become part of the "Software" under this Agreement and subject to this Agreement.

1.03 Rights of Licensor

Licensee recognizes that Licensor is supplying GolfCave Software and all additional materials and information, including but not limited to all processes, ideas, data and printed material, to Licensee subject to Licensor's proprietary rights. Licensee agrees with Licensor that GolfCave Software and all information and/or data supplied by Licensor in any form, including but not limited to machine-readable and/or printed form, are trade secrets of Licensor embodying substantial creative efforts and confidential information, ideas, and expressions, are protected by civil and criminal law, and by the law of copyright, are very valuable to Licensor, and that their use and disclosure must be carefully and continuously controlled. Accordingly, Licensee agrees to treat (and take precautions to ensure that its employees treat) the Software as confidential in accordance with the confidentiality requirements and conditions set forth in this Agreement. Licensor is not obligated to provide and Licensee acquires no right of any kind under this Agreement with respect to any source code for the Software.

1.04 Title

As between the parties hereto, Licensor retains title to all GolfCave Software, the system documentation manuals, any additional materials and information furnished by Licensor in any form (including but not limited to object, machine-readable and/or printed form). Licensee agrees to keep every item to which Licensor retains title free and clear of all claims, liens and encumbrances except those of Licensor. Any act of Licensee, voluntary or involuntary, purporting to create a claim, lien or encumbrance on such an item will be void.

1.05 No Other Rights Granted

Apart from the license rights specifically enumerated in this Agreement, this Agreement does not include a grant to Licensee of any ownership right, title or interest, nor any security interest or other interest, in any Intellectual Property Rights (as defined in the following sentence) relating to the Software or any part of the Software. "Intellectual Property Rights" means any and all rights to exclude under patent law, copyright law, moral rights law, trade-secret law, semiconductor chip protection law, trademark law, unfair competition law or other similar rights.

2. TERM

2.01 Term

This License Agreement is effective from the date of execution by Licensor and will remain in full force so long as Licensee remains a Franchisee in good standing under to ~~that certain GolfCave Franchise Agreement entered into between GolfCave Franchising LLC and Licensee, dated _____ (the "Franchise Agreement").~~ the Franchise Agreement. The Franchise Agreement is incorporated in this Agreement as though set forth in full.

3. RESTRICTIONS ON LICENSEE

3.01 ~~Single-Site~~ Franchised Business Use

~~All~~The GolfCave Software and other materials provided under this Agreement may be used only on ~~a single central processing unit (computerized devices with (where required for certain functions) a connection to the internet (each such device,~~ referred to as the "CPU Accessing Device") and ~~its~~their associated networked peripheral units ~~at (such as printers, scanners, and the like) used by the same site.~~franchised Business outlet and its staff, and (if the Software is designed to be used by other parties as well) owners of the franchised Business, customers of the franchised Business, and/or vendors of the franchised Business, as applicable. "Use" of a program will consist either of copying, streaming or downloading any portion of the data made available through the program ~~from storage of units or media~~ into the CPU Accessing Device(s), or the processing, streaming or uploading of data from or through the Accessing Device(s) with the program, or both. Licensee agrees to keep its granting of access to individuals to use all programs, documentation and materials in any form (including but not limited to object, machine-readable and/or printed form) supplied under this license in ~~a secure place, under compliance with~~ access and use restrictions satisfactory to Licensor, and not less strict than those applied to Licensee's most valuable and sensitive programs. ~~In the event that the CPU becomes inoperable, Licensee shall have the right to temporarily move the Software to a back-up system at the same site, for a reasonable period of time, while the CPU is inoperable. Licensee shall provide Licensor with written notice within five (5) days of any such movement.~~

As between the parties hereto, Licensee shall be exclusively responsible for the supervision, management and control of ~~its~~the use of the Software by Licensee (including its employees, agents and the operating environment, other personnel), including, but not limited to: (i) assuring proper audit controls and operating methods; ~~(ii) establishing adequate back-up plans in the event (such as choosing account passwords that are not easy to guess, and only allowing access to those employees of a Licensee whom Licensee has authorized to access the Software or hardware malfunction, including restart and recovery procedures;~~ (ii) implementing sufficient procedures and checkpoints to satisfy its requirements for security (such as limiting communication of personally sensitive information by means of the Software unless required) and accuracy of information that is input into the Software by Licensee; and ~~output; and (iv)(iii)~~ (iii) for proper purposes in connection with the franchised Business); (ii) implementing sufficient procedures and checkpoints to satisfy its requirements for security (such as limiting communication of personally sensitive information by means of the Software unless required) and accuracy of information that is input into the Software by Licensee; and ~~output; and (iv)(iii)~~ (iii) maintaining the proper operating environment for the Software; (for example (and without limitation), an environment where private or proprietary information displayed through the Software is not put on public view).

3.02 Copies and Use of Output from Software

Licensee agrees that while this license is in effect, or while Licensee has custody or possession of any property of Licensor, ~~and except as provided in the following paragraph, Licensee will not (a),~~ except in the ordinary course of Licensee's GolfCave franchised Business, copy or duplicate, or permit ~~anyone else~~ its employees to copy or duplicate, any ~~physical or magnetic~~ version of ~~any~~ the GolfCave Software or other information furnished by Licensor through the Software (such as information about customers) in any form (including but not limited to ~~object, machine-readable~~ digital and/or printed form), ~~or (b) create or attempt to create, or permit others to create or attempt to create, by reverse engineering or otherwise, the source programs or any part of them from the object program or from any other information made available under this license or otherwise (whether oral, written, tangible or intangible).~~

~~Notwithstanding the foregoing, any GolfCave Software or additional material which is provided by Licensor in any form (including but not limited to object, machine-readable and/or printed form) may be copied, in whole or in part, solely for the use of Licensee at Licensee's address stated above, for archive or emergency restart purposes, to replace a worn copy, or to understand the contents of such machine-readable material, provided, however, that no more than three printed copies and three object or machine-readable copies will be in existence under this license at any one time without prior written consent from Licensor. The original, and any copies, in whole or in part, of GolfCave Software and/or additional materials supplied to Licensee by Licensor, which are made under this Agreement, will be the property of Licensor for all purposes.~~

~~Licensee agrees to maintain appropriate records of the number and location of all copies of the Software and make such records available upon Licensor's request. Licensee further agrees to reproduce all copyright and other proprietary notices on all copies of the Software in the same form and manner that such copyright and other proprietary notices are originally included on the Software~~

~~Licensee agrees to keep any copies and the original at Licensee's address stated above, except that the Licensee may transport or transmit a copy or the original of any licensed program to another location for back-up use when required by CPU malfunction, provided that, when the malfunction is corrected, the copy or the original is destroyed or returned to Licensee's above address.~~

Licensee agrees to respect and not to remove, obliterate, or cancel from view any copyright, trademark, confidentiality or other proprietary notice, mark, or legend appearing on any of the Software or output generated by the Software, (such as information on customers or suppliers and, to the extent that Licensee can do so, to reproduce and include same on each copy of output generated by the Software.

3.03 that is intended to show to any third party). No Reverse Engineering or Modification

Licensee agrees that while this license is in effect, or while Licensor has custody or possession of any property of Licensor, Licensee will not modify, translate, enhance, merge, reverse engineer, reverse assemble, disassemble, or decompile the Software or any portion of the Software, derive the source code or the underlying ideas, algorithms, structure or organization form of the Software or any portion thereof or otherwise reduce the Software or any portion of the Software to human-readable form. Licensee may not, and may not attempt to, defeat, avoid, by-pass, remove, deactivate or otherwise circumvent any software protection mechanisms in the Software including, without limitation, any such mechanism used to restrict or control the functionality of the Software.

3.04 Transfer of Software

If Licensee transfers possession of any copy, modification, translation or merged portion of any GolfCave Software to another party, the attempt at transfer is void and this license is automatically terminated.

4. PROTECTION AND SECURITY

4.01 Non-Disclosure

Licensee agrees not to disclose, publish, display, translate, release, transfer or otherwise make available any GolfCave Software, any part of the Software or any other materials furnished by Licensor in any form (or any copy of any of the foregoing) to any person, without the written consent of Licensor, which may be withheld with or without cause. Licensee agrees that it will take all necessary action including, but not necessarily limited to, instructing and entering into agreements with all of Licensee's employees, agents, representatives, affiliates, subsidiaries, and/or other third persons/entities associated with Licensee to protect the copyright and trade secrets of Licensor in and to those materials licensed under this Agreement and to assure Licensee's compliance with its obligations under this Agreement. Licensee shall use its best efforts to assist Licensor in identifying and preventing any unauthorized use, copying or disclosure of the Software or any portions thereof. Without limitation of the foregoing, Licensee shall advise Licensor immediately in the event Licensee learns or has reason to believe that any person who Licensee has given access to the Software, or any portion thereof, has violated or intends to violate the terms of this Agreement. The provisions of this Section 4.01 will survive the termination of this Agreement. Licensee shall not rent, lease, loan, distribute, sell, sublicense or encumber the Software.

Licensee shall not create any derivative works from the Software. Licensee agrees that any derivative works created by Licensee from the Software, including, but not limited to, software or other electronic works, are considered derivative works under U.S. law and that use of the derivative work is subject to the terms and conditions of this License Agreement. Derivative works may not be sublicensed, sold, leased, rented, lent, or given away without written permission from Licensor. Licensor will not be responsible for unauthorized, modified and/or regenerated software or derivative works.

Licensee understands and agrees that Licensor may from time to time adopt whatever mechanical or other electronic methods that Licensor deems necessary (in its sole and exclusive judgment) to prevent the unauthorized use and/or distribution of any GolfCave Software.

~~4.02 Off-Site Communications Lines~~

~~Licensee may not permit the computer programs licensed under this Agreement to be transmitted over any off-site communications lines for any purpose.~~

5. UNAUTHORIZED ACTS

5.01 Unauthorized Acts

Licensee agrees to notify Licensor immediately of the unauthorized possession, use or knowledge of any item supplied through this license and of other information made available, to Licensee under this Agreement, by any person or organization not authorized by this Agreement to have such possession, use or knowledge. Licensee agrees to promptly furnish full details of the possession, use or knowledge to Licensor, to assist in preventing the recurrence of the possession, use or knowledge, and to cooperate with Licensor in any litigation against third parties deemed necessary by Licensor to protect its proprietary rights. Licensee's compliance with this paragraph will not be construed in any way as a waiver of Licensor's rights to recover damages or obtain other relief against Licensee for its negligent or intentional harm to Licensor's proprietary rights, or for breach of Licensor's contractual rights.

5.02 Export Law Assurances.

Licensee may not use or otherwise export or reexport the Software except as authorized by United States law and the laws of the jurisdiction in which the Software was obtained. ~~In particular, but without limitation, the Software may~~ Licensee represents and warrants that Licensee is not ~~be exported~~ located or ~~reexported: (i) into, domiciled in, under control of, or to~~ a national or resident of, any countries that are U.S. embargoed ~~country~~ countries, or ~~(ii) to anyone~~ on the list of the U.S. Treasury

~~Department's list of Department's~~ Specially Designated Nationals, or the U.S. Department of ~~Commerce's~~ Commerce's Table of Denial Orders, or to whom export or ~~reexport~~ re-export is prohibited by the ~~United States~~ U.S. Department of Treasury Office of Foreign Assets Control ~~("OFAC") or, or~~ similar lists maintained by any other United States ~~or foreign~~ agency or authority. ~~Licensee represents and warrants that Licensee is not located in, under control of, or a national or resident of any such country or on any such list.~~

6. INSPECTION

6.01 Inspection of Use

To assist Licensor in the protection of its proprietary rights and compliance with this Agreement, Licensee agrees to permit representatives of Licensor to inspect, at all reasonable times, ~~any location at which items~~ how the Software supplied under this Agreement ~~are~~ is being used by Licensee and its personnel, and what types of data and information the Software is being used to transmit or kept process.

7. ASSIGNMENT OF LICENSE RIGHTS

7.01 Assignment by Licensor

Licensor will have the right to assign this Agreement, and all of its rights and privileges under this Agreement, to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of the functions of Licensor under this Agreement: (i) the assignee must, at the time of the assignment, be financially responsible and economically capable of performing the obligations of Licensor under this Agreement, and (ii) the assignee must expressly assume and agree to perform these obligations.

7.02 Assignment by Licensee

With respect to Licensee's obligations under this Agreement, this License Agreement is personal, being entered into in reliance upon and in consideration of the singular personal skill and qualifications of Licensee, and the trust and confidentiality reposed in Licensee by Licensor. Therefore, neither Licensee's interest in this Agreement nor any of Licensee's rights or privileges under this Agreement, may be assigned, sold, transferred, shared, redeemed, sublicensed or divided, voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, in any manner, without the prior written consent of Licensor. Any actual or attempted assignment, transfer or sale of this Agreement, or any interest in this Agreement, or of the franchised Bbusiness, made or accomplished in violation of the terms of this Article will be null and void and will constitute an incurable breach of this Agreement by Licensee, and, if this occurs, this Agreement will automatically terminate without further notice.

8. INJUNCTION

8.01 Injunction

Licensee acknowledges that the unauthorized use, modification, transfer or disclosure of the Software or copies thereof will (i) substantially diminish the value to Licensor of the trade secrets and other proprietary interests that are the subject of this Agreement; (ii) render Licensor's remedy at law for such unauthorized use, disclosure or transfer inadequate; and (iii) cause irreparable injury in a short period of time. If Licensee breaches any of its obligations with respect to the use or confidentiality of the Software or if Licensee attempts to use, copy, modify, license, or convey the items supplied by Licensor under this Agreement, in a manner contrary to the terms of this Agreement, in competition with Licensor or in derogation of Licensor's proprietary rights (whether these rights are explicitly stated in this Agreement, determined by law or otherwise), then Licensor shall be entitled to equitable relief to protect its interests therein, including, but not limited to, preliminary and permanent injunctive relief, without having to post bond or other security.

9. DEFAULT AND TERMINATION

9.01 Termination

If the Franchise Agreement is terminated by either party for any reason or expires, then upon the effective date of the termination or expiration of the Franchise Agreement, this Agreement will automatically terminate without notice to Licensee.

Licensor reserves the right to immediately terminate this License Agreement, at Licensor's sole and exclusive option, if Licensee breached any term of this Agreement or of the Franchise Agreement. This termination will be without prejudice to any right or claims Licensor may have and all rights granted under this Agreement will immediately revert to Licensor. If Licensor terminates this Agreement, Licensee agrees to return to Licensor all property of and/or materials supplied by Licensor immediately after the termination, and if applicable, delete the Software from Licensee's own Accessing Devices and require its staff to do the same.

The termination or expiration of this Agreement or of the Franchise Agreement for any reason whatsoever will not relieve Licensee of its obligations of confidentiality, protection and security under this Agreement, or of the restriction on copying and use as provided in this Agreement, with respect to any GolfCave Software.

Upon termination or expiration of this Agreement or of the Franchise Agreement for any reason, Licensee agrees to immediately return to Licensor ~~all~~the GolfCave Software, including, without limitation, all computer software, ~~disks, tapes and other magnetic~~return or delete any off-line copies the Licensee has of data that is proprietary to the Licensor, whether saved on memory drives, online or via other storage media (and any future technological substitutions for any of them) ~~in good condition, allowing for normal wear and tear.~~

9.02 Cross-Default

Any default or breach by Licensee (or any of its affiliates) of any other agreement between Licensor, or its parent or the subsidiary, affiliate or designee of either entity (collectively, Licensor's "Affiliates") and Licensee (or any of its affiliates) will be deemed a default under this Agreement, and any default or breach of this Agreement by Licensee (or any of its affiliates) will be deemed a default or breach under any and all other agreements between Licensor (or any of its Affiliates) and Licensee (or any of its affiliates). If the nature of such default under any other agreement would have permitted Licensor to terminate this Agreement if default had occurred under this Agreement, then Licensor (or its Affiliates) will have the right to terminate all the other agreements between Licensor (or its Affiliates) and Licensee (or any of its affiliates) in the same manner provided for in this Agreement for termination of this Agreement.

10. BINDING EFFECT

10.01 Binding Effect

Licensee agrees that this Agreement binds the named Licensee and each of its employees, agents, representatives and persons associated with it. This Agreement further binds each affiliated and subsidiary firm, corporation, or other organization and any person, firm, corporation or other organization with which the Licensee may enter a joint venture or other cooperative enterprise.

11. SECURITY INTEREST

11.01 Security Interest

Licensee hereby gives to Licensor a security interest in and to ~~all~~any proprietary data of Licensor that is generated by or obtained via the GolfCave Software, and other materials furnished under this Agreement as security for Licensee's performance of all its obligations under this Agreement, together with the right, without liability, to ~~repossess~~cease permitting access to all

GolfCave Software and other materials licensed under this Agreement, with or without notice, in the event of default in any of Licensee's obligations under this Agreement.

12. WAIVER OR DELAY; INTEGRATION; AMENDMENT

12.01 Waiver or Delay

No waiver or delay in either party's enforcement of any breach of any term, covenant or condition of this Agreement shall be construed as a waiver by such party of any preceding or succeeding breach, or any other term, covenant or condition of this Agreement; and, without limitation upon any of the foregoing, the acceptance of any payment specified to be paid by Licensee under this Agreement shall not be, nor be construed to be, a waiver of any breach of any term, covenant or condition of this Agreement.

12.02 Integration

This Agreement and all ancillary agreements executed contemporaneously with this Agreement constitute the entire agreement between the parties with reference to the subject matter of this Agreement and supersede any and all prior negotiations, understandings, representations and agreements; provided, however, that, and that this Agreement is not to limit any rights that Licensor may have under trade secret, copyright, patent, or other laws that may be available to it. ~~Licensee acknowledges that that the Agreement does not include any other prior or contemporaneous promises, representations, or descriptions regarding the Software, or that if any such promises, representations, or descriptions were made, Licensee is not relying on them.~~ Notwithstanding the foregoing however, nothing in this Section is intended to disclaim the representations Licensor made in the Franchise Disclosure Document that it provided to Licensee.

12.03 Amendment

This Agreement may not be amended orally, but may be amended only by a written instrument signed by the parties hereto.

13. DISCLAIMER

13.01 DISCLAIMER

LICENSOR WARRANTS AND REPRESENTS THAT IT HAS THE AUTHORITY TO EXTEND THE RIGHTS GRANTED TO LICENSEE IN THIS AGREEMENT. THIS EXPRESS WARRANTY IS EXCLUSIVE AND IN LIEU OF, AND LICENSOR HEREBY DISCLAIMS, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, OF FITNESS OR ADEQUACY FOR ANY PARTICULAR PURPOSE OR USE (WHETHER OR NOT LICENSOR KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE); WARRANTIES OF QUALITY OR PRODUCTIVENESS, CAPACITY, ACCURACY OR SYSTEM INTEGRATION; IMPLIED WARRANTIES AGAINST INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; AND, WARRANTIES AGAINST INTERFERENCE WITH LICENSEE'S ENJOYMENT OF THE LICENSED INFORMATION OR LICENSED INFORMATIONAL RIGHTS. IT IS SPECIFICALLY UNDERSTOOD AND AGREED THAT THE LICENSED SOFTWARE AND OTHER INFORMATION MADE AVAILABLE HEREUNDER BY LICENSOR ARE MADE AVAILABLE ON AN "AS-IS" BASIS AND THAT THE ENTIRE RISK AS TO SATISFACTORY QUALITY, PERFORMANCE, ACCURACY AND EFFORT IS WITH LICENSEE. LICENSOR WILL NOT BE LIABLE (WHETHER IN CONTRACT, WARRANTY, TORT, OR OTHERWISE) TO LICENSEE, THIRD PARTIES, OR ANY OTHER PERSON CLAIMING THROUGH OR UNDER LICENSEE, FOR ANY DAMAGES OR EXPENSES, INCLUDING BUT NOT LIMITED TO, ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY OR PUNITIVE DAMAGES, LOST DATA, DOWNTIME COSTS, LOST PROFITS AND/OR LOST BUSINESS, ARISING OUT OF OR IN CONNECTION WITH ANY USE, OR INABILITY TO USE, ANY OF THE LICENSED SOFTWARE, MATERIALS OR INFORMATION FURNISHED, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF GOODWILL, WORK

STOPPAGE, COMPUTER FAILURE OR MALFUNCTION, BUSINESS INTERRUPTION OR ANY AND ALL OTHER COMMERCIAL DAMAGES OR LOSSES, WHETHER CAUSED BY DEFECT, NEGLIGENCE, BREACH OF WARRANTY, DELAY IN DELIVERY OR OTHERWISE, REGARDLESS OF THE THEORY OF LIABILITY (WHETHER TORT, CONTRACT, STRICT LIABILITY, OR OTHERWISE), EVEN IF LICENSOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR EXPENSES. FURTHER, NO OBLIGATION OR LIABILITY WILL ARISE OR FLOW OUT OF LICENSOR'S RENDERING OF TECHNICAL OR OTHER ADVICE IN CONNECTION WITH THE SOFTWARE OR ANY EQUIPMENT USED WITH THE SOFTWARE. LICENSOR DOES NOT REPRESENT OR WARRANT THAT THE OPERATION OF THE SOFTWARE WILL BE UNINTERRUPTED OR ERROR-FREE OR MEET ANY SPECIFIC REQUIREMENTS, THAT THE SOFTWARE WILL BE FREE OF VIRUSES, WORMS, OTHER HARMFUL COMPONENTS OR OTHER PROGRAM LIMITATIONS OR THAT ANY DEFECTS OR ERRORS IN THE SOFTWARE WILL BE CORRECTED. THIS DISCLAIMER OF WARRANTY CONSTITUTES AN ESSENTIAL PART OF THIS AGREEMENT. NO AGENT OF LICENSOR IS AUTHORIZED TO ALTER OR EXCEED THE WARRANTY OBLIGATIONS OF LICENSOR AS SET FORTH HEREIN. NO USE OF THE PRODUCT IS AUTHORIZED HEREUNDER EXCEPT UNDER THIS DISCLAIMER; PROVIDED, HOWEVER, THAT SOME STATES OR JURISDICTIONS DO NOT ALLOW EXCLUSIONS OF AN IMPLIED WARRANTY AND SOME STATES OR JURISDICTIONS DO NOT ALLOW THE LIMITATION OR EXCLUSION OF LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THAT THIS DISCLAIMER MAY NOT APPLY TO LICENSEE. TO THE EXTENT THAT LICENSOR MAY NOT, AS A MATTER OF APPLICABLE LAW, DISCLAIM ANY WARRANTY, THE SCOPE AND DURATION OF SUCH WARRANTY SHALL BE THE MINIMUM PERMITTED UNDER APPLICABLE LAW.

14. LIMITATION OF LIABILITY

14.01 LIMITATION OF LIABILITY

LICENSOR'S LIABILITY FOR DAMAGES UNDER THIS AGREEMENT, REGARDLESS OF THE FORM OF ACTION AND REGARDLESS OF THE LEGAL THEORY, WILL NOT EXCEED THE COST OF REPLACEMENT OF THE SOFTWARE LICENSED UNDER THIS AGREEMENT. THIS WILL BE LICENSEE'S SOLE AND EXCLUSIVE REMEDY. NO ACTION, REGARDLESS OF FORM, ARISING OUT OF ANY PARTY'S OBLIGATIONS UNDER THIS AGREEMENT MAY BE BROUGHT BY EITHER PARTY MORE THAN ONE YEAR AFTER THE CAUSE OF ACTION HAS ACCRUED, EXCEPT THAT AN ACTION FOR NONPAYMENT MAY BE BROUGHT WITHIN ONE YEAR OF THE DATE OF LAST PAYMENT.

15. SEVERABILITY

15.01 Severability

Nothing contained in this Agreement may be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provision of this Agreement and any present or future statute, law, ordinance or regulation required to be made applicable to this Agreement, the latter will prevail, but the affected provision of this Agreement will be curtailed and limited only to the extent necessary to bring it within the requirement of the law. If any article, section, sentence or clause of this Agreement is held to be indefinite, invalid or otherwise unenforceable, the entire Agreement will not fail for this reason, and the balance of the Agreement will continue in full force and effect. If any court of competent jurisdiction deems any provision of this Agreement (other than for the payment of money) so unreasonable as to be unenforceable as a matter of law, the court may declare a reasonable modification of this Agreement and this Agreement will be valid and enforceable, and the parties agree to be bound by and perform this Agreement as so modified.

16. GOVERNING LAW; VENUE

16.01 Governing Law

This Agreement; all relations between the parties; and, any and all disputes between the parties, whether sounding in contract, tort, or otherwise, is to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of ~~{state whose law controls}~~New York without recourse to ~~{state whose law controls}~~New York (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of ~~{state whose law controls}~~New York, and if the franchised Bbusiness is located outside of ~~{state whose law controls}~~New York and the provision would be enforceable under the laws of the state in which the franchised Bbusiness is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Section intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, unfair or deceptive trade practice, fiduciary or any other doctrine of law of the State of ~~{state whose law controls}~~or any other state, which would notNew York or any successor state Licensor designates (as provided above), which would not otherwise apply by its terms jurisdictionally or otherwise but for the within designation of governing law or which, by virtue of its denominated geographic or subject matter scope, would not by its terms otherwise apply.

16.02 Venue

Any litigation arising out of or related to this Agreement; any breach of this Agreement; the relations between the parties; and, any and all disputes between the parties, whether sounding in contract, tort, or otherwise, will be instituted exclusively in a court of competent jurisdiction in ~~{city, state for venue}~~the county and state where Licensor's principal place of business is then located (currently Union County, New Jersey). Licensee agrees that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in ~~{city, the county and state where Licensor's principal place of business is then located (currently Union County, New Jersey)}~~Notwithstanding the foregoing, however, with respect to any action forvenue}monies owed, injunctive or other extraordinary or equitable relief, or involving possession or disposition of, or other relief relating to, the Software or any part of the Software, Licensor may bring such an action in any state or federal district court which has jurisdiction. Licensee, on behalf of Licensee and Licensee's affiliates, and the owners, members, officers, directors or managers of each of the foregoing, hereby ~~waives~~waive and ~~covenants~~covenant never to assert or claim that the venue designated for litigation by this venue Agreement is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, ~~without limitation,~~ any claim under the judicial doctrine of "*forum non conveniens*"). The parties agree that this Section 16.02 shall not be construed as preventing either party from removing an action or proceeding from state to federal court.

17. COSTS OF ENFORCEMENT; ATTORNEYS' FEES

17.01 Costs of Enforcement

Licensor will be entitled to recover from Licensee reasonable attorneys' fees, experts' fees, court costs and all other expenses of litigation, if Licensor prevails in any action instituted against Licensee in order to secure or protect those rights inuring to Licensor under this Agreement, or to enforce the terms of this Agreement.

17.02 Attorneys' Fees

If Licensor becomes a party to any litigation or other proceeding concerning this Agreement by reason of any act or omission of Licensee or Licensee's authorized representatives and not by any act or omission of Licensor or any act or omission of Licensor's authorized representatives, or if Licensor becomes a party to any litigation or any insolvency proceedings pursuant to the bankruptcy code or any adversary proceeding in conjunction with an insolvency proceeding, Licensee will be liable to Licensor for reasonable attorneys' fees, experts' fees and court costs incurred by Licensor in the litigation or other proceeding regardless of whether the litigation or other proceeding or action

proceeds to judgment. In addition, Licensor will be entitled to add all costs of collection, interest, attorneys' fees and experts' fees to its proof of claim in any insolvency proceedings filed by Licensee.

18. SUBMISSION OF AGREEMENT

18.01 Submission of Agreement

The submission of this Agreement does not constitute an offer and this Agreement will become effective only upon execution of this Agreement by both Licensor and Licensee. Licensor's date of execution will be considered the date of execution of this Agreement.

THIS AGREEMENT WILL NOT BE BINDING ON LICENSOR UNLESS AND UNTIL IT HAS BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF LICENSOR. LICENSEE HAS READ ALL OF THE FOREGOING AGREEMENT AND HEREBY ACCEPTS AND AGREES TO EACH AND ALL OF THE PROVISIONS, COVENANTS AND CONDITIONS THEREOF.

[signature page follows]

Dated: _____

~~Attest:~~

~~Other Entity)~~
~~Witness/Date~~

LICENSEE:

If a corporation or other entity:

(Name of Corporation or

By: _____

Its _____
(Title)

(Print Name)

If ~~an individual~~ one or more individuals:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

~~Attest:~~

~~Witness/Date~~

LICENSOR:

GOLFCAVE FRANCHISING, LLC

By: _____

[signature page to Software License Agreement]

EXHIBIT B TO FRANCHISE DISCLOSURE DOCUMENT

AREA DEVELOPMENT AGREEMENT AND RELATED MATERIALS

GOLFCAVE FRANCHISING, LLC
AREA DEVELOPMENT AGREEMENT

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STATE ADDENDA TO AREA DEVELOPMENT AGREEMENT

EXHIBITS

- A DEVELOPMENT TERRITORY
- B FIRST UNIT FRANCHISE AGREEMENT YOU AND WE WILL SIGN
- C CONFIDENTIALITY/NON-COMPETITION AGREEMENT
- D GUARANTEE
- E LIST OF AREA FRANCHISEE'S OWNERS

GOLFCAVE FRANCHISING, LLC
AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT (this "Agreement") is made and entered into as of _____ between GOLFCAVE FRANCHISING, LLC, a New Jersey limited liability company with its principal office at 1 Clarkton Drive, Clark, NJ 07066 ("we," "us," "our" or "Franchisor") and _____, whose principal address is _____ ("you", "your" or "Area Franchisee").

1. INTRODUCTION

1.01 GolfCave Businesses, System and Proprietary Marks

As a result of the expenditure of time, skill, effort and money, we and our affiliates have, over a considerable time period and with considerable effort, developed a proprietary system for opening and operating businesses ("GolfCave Businesses" or "Businesses") that operate indoor golf facilities (each, a "Store") providing golfers of all skill levels the ability to play or practice on a golf simulator in the privacy of their own "Cave", and related programs, products and services (the "GolfCave System" or the "System"). The System makes use of the mark "GolfCave" and certain other trademarks, service marks, trade names, related emblems, designs, labels, trade dress, signs and symbols, copyrighted materials and other intellectual property (together, the "Proprietary Marks").

1.02 The Area Franchise

You wish to obtain the right to acquire and operate GolfCave franchises in those geographical territories (collectively, the "Development Territory") defined below and set forth in Exhibit A to this Agreement and pursuant to a development schedule (the "Development Schedule") defined and set forth in Section 6.01 of this Agreement. We wish to grant you the right to acquire and operate GolfCave franchises in the Development Territory and pursuant to the Development Schedule upon the terms and subject to the conditions set forth in this Agreement.

2. GRANT OF AREA DEVELOPMENT RIGHTS

2.01 Area Development Rights

We grant you, and you accept, the right to and obligation to acquire and operate franchised GolfCave Businesses in the Development Territory and pursuant to the Development Schedule upon the terms and subject to the provisions of this Agreement and the terms of each unit Franchise Agreement (referred to individually as a "Franchise Agreement" and collectively as the "Franchise Agreements") entered into between you and us, and all agreements related to the Franchise Agreements.

3. TERRITORY

3.01 Territorial Grant

You undertake to own and operate the franchised GolfCave Businesses listed in Section 6.01 of this Agreement within the Development Territory set forth by map or written description in Exhibit A of this Agreement.

3.02 Our Restrictions

Within the Development Territory, we, our affiliates, subsidiaries and designees (together, the "Affiliates") will not operate a Company-owned business of the type contemplated by this Agreement and franchised under the Franchise Agreements, or enter into any other agreement granting rights to own, develop, or operate GolfCave Businesses, all so long as you are not in default under this Agreement and all other related agreements, and except as provided in Section 3.03 ("Rights We Reserve"). These restrictions will terminate immediately upon the expiration or termination of this Agreement for any reason.

Initials Franchisor _____ Area Franchisee _____

You acknowledge that this Agreement confers no marketing exclusivity in the Development Territory on you, and that all GolfCave Businesses (whether Company-owned, Company joint-ventured, franchised or otherwise) may solicit, service, advertise and offer their products and services to any individual or entity, regardless of your or its geographic location, including your Development Territory.

3.03 Rights We Reserve

You acknowledge that we and our Affiliates may have, and may later acquire or develop, rights and property that are not granted to you or may not be designated as part of the System. You further acknowledge that this Agreement does not create any form of franchise or license with respect to those rights, all of which remain our property. We reserve those rights and all rights not expressly granted in this Agreement. These rights will not be qualified or diminished in any way by implication. For example, and without limitation, we or our Affiliates may own, operate or authorize others to own or operate GolfCave Businesses or any other form of GolfCave business subject only to the territorial restrictions provided in Section 3.02 and engage in or authorize others to conduct at any location any form of business including any type of product or service not offered under the Proprietary Marks. Without limiting the generality of this paragraph, we and our Affiliates reserve the following specific rights:

We and our Affiliates may sell within and outside your Territory through any methods of distribution other than a dedicated GolfCave Store, including, without limitation, the internet/worldwide web and other forms of electronic commerce; online networks; "800" or similar toll-free telephone numbers (other than those we establish and make available to you for use in your franchised Business(es) hereunder); mail order; catalogues; direct marketing campaigns, including mail and phone solicitations; and, television sales, including "infomercials" (collectively, "Alternative Distribution Channels").

4. TERM

4.01 Term

The term ("Term") of this Agreement will be for a period beginning on the date we sign this Agreement and extending until the earlier of either the actual or scheduled Date of Execution of the last Franchise Agreement executed pursuant to this Agreement and specified in Section 6.01 of this Agreement, unless sooner terminated in accordance with the provisions of this Agreement.

4.02 Notice of Expiration

If applicable law requires us to give notice of expiration to you at a specified time before the expiration of the Term of this Agreement, and we have not done so, then the term of this Agreement will be extended on a month-to-month basis until we have given you the required notice of expiration and the required period before the expiration of the Agreement becomes effective has expired.

5. AREA DEVELOPMENT FEE

5.01 Area Development Fee

In consideration of our execution of this Agreement, you agree to pay us an area development fee (the "Area Development Fee") comprised of the following: (1) \$50,000, which will be credited toward your Initial Franchise Fee of \$50,000 for your first franchised Business developed hereunder, when you sign the Franchise Agreement for that first franchised Business; plus (2) \$25,000 times the number of additional franchised Businesses (beyond the first one) that you commit to develop under the Development Schedule hereunder, which will be credited toward the Initial Franchise Fee that you pay for your second and subsequent franchised Businesses developed hereunder.

The Area Development Fee is payable in full when you sign this Agreement and will be fully earned when paid. You recognize that we have incurred administrative and other expenses in

relation to this Agreement, and that our development opportunities have been lost or curtailed as a result of the territorial rights granted to you in this Agreement. Therefore, we will not refund the Area Development Fee in whole or in part, under any circumstance.

6. DEVELOPMENT SCHEDULE

6.01 Development Schedule

For so long as this Agreement is in effect and you are not in default under the terms of this Agreement or any Franchise Agreement, you will have the right and obligation to execute Franchise Agreements for and commence operations of GolfCave Businesses pursuant to the development schedule below (the "Development Schedule"). The Development Schedule sets forth the date on which you must execute the Franchise Agreement for each Business (the "Date of Execution") and the date no later than which you must commence operations of each Business under each Franchise Agreement (the "Commencement of Operations Date").

Business Number	Date of Execution of Franchise Agreement	Commencement of Operations Date
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

You may not develop or commence operations of more than the number of Businesses set forth above without first obtaining our written consent.

A GolfCave Business will be considered “developed” if: (a) the Franchise Agreement for the Business has been signed by you and us, and (b) the Business has commenced operations in accordance with the Franchise Agreement governing the Business.

6.02 Failure to Fulfill Development Obligations

Except as provided in Section 17.01 below (“Unavoidable Delay or Failure to Perform [Force Majeure]”), if you fail to adhere to the Development Schedule in Section 6.01 by either: (1) failing to execute the Franchise Agreement for each franchised Business on or before the Date of Execution specified above, or (2) failing to commence operations of each franchised Business on or before the applicable Commencement of Operations Date specified above, then this will constitute a material breach of this Agreement, which, unless you cure it as provided in Section 15.03 of this Agreement, will result in this Agreement being terminated immediately.

Termination of this Agreement for this reason will not be a termination (constructive or otherwise) of any Unit Franchise Agreement(s) entered into by you and us under which you have

already commenced the operation of the franchised GolfCave Businesses covered by the Unit Franchise Agreement(s) if you have fully performed and otherwise been in compliance with all of your obligations under the Unit Franchise Agreement(s) in question. The undeveloped balance of your Development Territory will revert to us, and we may operate or franchise GolfCave Businesses within the undeveloped balance of the Development Territory without in any way being in violation of this Agreement. This remedy of ours will be in addition to whatever other remedies we may have at law or in equity.

6.03 Time is of the Essence

Subject to the provision of Section 17.01 below (“Unavoidable Delay or Failure to Perform [Force Majeure]”), your timely performance of your obligations under Article 6 of this Agreement is of material importance and is of the essence to this Agreement.

7. EXECUTION OF FRANCHISE AGREEMENTS

7.01 Execution of Franchise Agreements

You and we will execute a Franchise Agreement for each Business provided for in the Development Schedule. Each Franchise Agreement will be in the form of our then-current Franchise Agreement, modified as follows:

(a) you will receive a credit toward payment of the Initial Franchise Fee (as defined in the Franchise Agreement) in accordance with Section 5.01 above;

(b) the Initial Franchise Fee you pay for each of the second through fifth franchised Businesses you develop hereunder will be \$45,000, and the Initial Franchise Fee for the sixth and each additional franchised Business you commit to develop hereunder will be \$40,000, up to the end of your agreed Development Schedule. For each Franchised Business you develop hereunder, as a condition to obtain the reduced Initial Franchise Fee for each GolfCave Store, you must execute our then-current Franchise Agreement (except for the terms noted above), pay the balance of the Initial Franchise Fee as noted in “(a)” above, and obtain our approval for your proposed GolfCave locations by the dates specified in the Development Schedule herein; and

(c) the Continuing Royalty (as defined in the Franchise Agreement), System Advertising Contribution (as defined in the Franchise Agreement), and local advertising requirements imposed on you by the Franchise Agreement will not be greater than those set forth in the first Franchise Agreement that you will sign (a copy of which is attached to this Agreement as Exhibit B). Each Franchise Agreement will be executed according to the following procedure:

(1) Not less than sixty (60) days (and no more than ninety days) before the scheduled Date of Execution of the Franchise Agreement for the franchise to be conveyed, you shall request in writing (by email or otherwise) that we will furnish to you Franchisee a copy of our then-current applicable GolfCave Franchise Disclosure Document, including our then-current applicable form of GolfCave Franchise Agreement, modified as provided above (collectively, the "Franchise Disclosure Document").

(2) Promptly upon receipt of your request, we will deliver to you a copy of our then-current Franchise Disclosure Document. You must acknowledge receipt by executing the Receipt form prescribed in the Franchise Disclosure Document and promptly returning the Receipt to us.

(3) No sooner than fourteen (14) calendar days but no later than twenty (20) business days after you receive our Franchise Disclosure Document, you must, by written notice, notify us as to whether or not you elect to execute our then-current form of Franchise Agreement (modified as provided above) for the Business.

(4) Promptly upon our receipt of your notice that you elect to execute our then-current form of Franchise Agreement (modified as provided above), we will furnish to you one or more execution copies of the Franchise Agreement. Promptly upon receipt of these execution copies, you must execute them and return them to us.

If you fail to perform any of the acts or fail to deliver any of the notices required pursuant to the provisions of subsections (1), (2), (3) or (4) above in a timely fashion, this will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately on notice to you, with no opportunity to cure.

8. OUR DUTIES

8.01 Duties of Franchisor

So long as you are not in default of this Agreement or the Franchise Agreements, we will grant you the right and obligation to acquire and operate GolfCave franchises in the Development Territory and pursuant to the Development Schedule, upon the terms and subject to the provisions of this Agreement and the terms of each Franchise Agreement entered into between you and us and of all documents related to this Agreement and the Franchise Agreement, and to use solely and in connection with these Franchise Agreements the System as it may be changed, improved, modified or further developed from time to time, in the Development Territory as defined in this Agreement and upon the terms and subject to the provisions of this Agreement and the terms of all documents related to this Agreement and the Franchise Agreements.

Pursuant to the Franchise Agreements and under their terms, we will offer and perform the training, instruction, assistance and other activities for which the Franchise Agreements provide.

9. YOUR DUTIES

9.01 Payments to Us

In addition to all other payments under this Agreement, you agree to pay us (or our Affiliates) immediately upon demand:

1. All sales taxes, trademark license taxes and any other taxes, imposed on, required to be collected, or paid by us or our Affiliates (excluding any corporate income taxes imposed on us or our Affiliates) because we or our Affiliates have furnished services or products to you or collected any fee from you.
2. All amounts we advanced, or which we have paid, or for which we have become obligated to pay, on your behalf for any reason.
3. All amounts due to us (or our Affiliates) any other reason.

All payments due to us from you under this Agreement must be paid by check transmitted to our headquarters address, except that we reserve the right to require deposit of payments elsewhere and/or payment by wire transfer or other form of electronic funds transfer.

9.02 Compliance with Franchise Agreement, Brand Standards, and Laws, Rules and Regulations

You agree to abide by and faithfully adhere to the terms of each Franchise Agreement signed pursuant to this Agreement.

You further agree, in regard to your area development business hereunder, to abide by and faithfully adhere to our confidential operating manuals (the "Brand Standards"). The Brand Standards may take the form of one or more of the following: one or more loose leaf or bound volumes; bulletins; notices; videos; CD-ROMS; computer software; other electronic media; online postings; e-mail and/or electronic communications; facsimiles; or, any other now or hereafter developed medium

capable of conveying the Brand Standards' contents. The Brand Standards will, among other things, set forth our operating systems, procedures, policies, methods, standards, specifications and requirements for operating your franchised Business. You must at all times operate your area development business in strict compliance with the Brand Standards. We have the right to prescribe additions to, deletions from or revisions of the Brand Standards (the "Supplements to the Brand Standards"), all of which will be considered a part of the Brand Standards. All references to the Brand Standards in this Agreement will include the Supplements to the Brand Standards. Supplements to the Brand Standards will become binding on you as if originally set forth in the Brand Standards, upon being delivered to you.

You further agree to develop and operate the franchised GolfCave Businesses in strict compliance with all applicable laws, rules and regulations of all governmental authorities; to comply with all applicable wage, hour and other laws and regulations of the federal, state and local governments; to prepare and file all necessary tax returns; to pay all taxes imposed upon you related to the Businesses; and, to obtain and keep in good standing all necessary licenses, permits and other required forms of governmental approval required of you.

9.03 Indemnification

You hereby agree that you will, at your sole cost, at all times defend and hold harmless us, our Affiliates, and the corporate affiliates, subsidiaries, successors, assigns and designees of each, and the respective directors, officers, employees, agents, attorneys, shareholders, designees, contractors and representatives of each (we and all others referenced above, the "Indemnitees"), and indemnify, reimburse and hold harmless us and the other Indemnitees to the fullest extent permitted by law, against all claims, losses, liability and costs (as denominated in the following paragraph) incurred in connection with any judicial, administrative or arbitration action or proceeding (including bankruptcy, insolvency, debtor/creditor or similar proceedings), suit, claim, demand, investigation, or formal or informal inquiry (regardless of whether any of the foregoing is reduced to judgment) or any settlement of the foregoing, which actually or allegedly, directly or indirectly arises out of, is based, upon, is a result of or is related to any of the following:

1. Any element of your entry into this Agreement;
2. Claims of any type or nature advanced by or against you or any of your officers, directors, shareholders, partners, proprietors, management, agents, employees, affiliates representatives and contractors (or any third party acting on your behalf or at your direction) by a third party (or, as applicable, against a third party) or between or among themselves;
3. Your alleged or actual infringement or violation of any patent, mark or copyright or other proprietary right owned or controlled by third parties;
4. Your alleged or actual violation or breach of any contract, federal, state, local, foreign or other law, rule or regulation;
5. Libel, slander or any other form of defamation by you;
6. Your alleged or actual violation or breach of any warranty, representation, agreement or obligation set forth in this Agreement;
7. Any acts, errors, neglects or omissions by you and/or your officers, directors, shareholders, management, employees, agents, servants, contractors, partners, proprietors, affiliates or representatives (or any third party acting on your behalf or at your direction), whether or not any of the foregoing was approved by us;
8. Any damage to the property, or injury or death, suffered by you, us, any of our Affiliates, or their, our or your officers, directors, management, agents, employees

and contractors, including (without limitation) any property damage, injury or death suffered or caused by any contractor or vehicle serving your area development business hereunder;

9. Any claim, however and wherever asserted, that we or our affiliates are the employer, joint employer or co-employer of you and/or your employees (including, without limitation, any claims against us for your violation of any federal, local or state labor and/or wage and hour laws, rules or regulations);
10. Your offer, sale and/or delivery of securities, equity interests or other ownership interests in you or your area development business hereunder; and
11. All activities, conduct and representations which you may engage in connected to any actual or attempted assignment (as defined in Section 12.02) of any interest whatsoever in your area development business hereunder; and, any action by any visitor to any facility operated in conjunction with your area development business hereunder.

As used herein, the phrase "claims, losses, liabilities and costs" includes all claims; causes of action; fines; penalties; liabilities; losses; employment liabilities; compensatory, exemplary, statutory or punitive damages or liabilities; costs of investigation; lost profits; court costs and expenses; reasonable attorneys' and experts' fees and disbursements; settlement amounts; judgments; compensation for damage to our reputation and goodwill; costs of or resulting from delays; travel, food, lodging and other living expenses necessitated by the need or desire to appear before (or witness the proceedings of) courts or tribunals (including arbitration tribunals), or government or quasi-governmental entities (including those incurred by the Indemnitees' attorneys and/or experts); all expenses of compensation and public notices; and, other such amounts incurred in connection with the matters described. All such losses and expenses incurred under this indemnification provision will be chargeable to and paid by you pursuant hereto, regardless of any actions, activity or defense undertaken by us or the subsequent success or failure of the actions, activity or defense.

Specifically excluded from the indemnity you give hereby is any liability associated with our or the other Indemnitees' gross negligence, willful misconduct or criminal acts (except to the extent that joint liability is involved, in which event the indemnification provided herein shall extend to any finding of comparative or contributory negligence attributable to you).

You agree to give us written notice of any suit, proceeding, claim, demand, inquiry or any other event that could be the basis for a claim for indemnification hereunder by any Indemnitee within three (3) days of your actual or constructive knowledge of it. At your expense and risk, we may elect to assume (but under no circumstance will we be obligated to undertake) the defense and/or settlement of the action, suit, proceeding, claim, demand, inquiry or investigation. However, we will seek your advice and counsel and keep you informed with regard to the defense or contemplated settlements. Our undertaking of defense and/or settlement will in no way diminish your obligation to indemnify us and the other Indemnitees and to hold us and them harmless. If you or any of your affiliates and the Indemnitees (or any one of them) are named as co-defendants, and there is a conflict of interest between them such that they cannot be represented by common counsel, then the Indemnitees may retain separate counsel at your expense and you will promptly reimburse the Indemnitees for all costs and attorneys' fees incurred upon request and as they are incurred.

We will have the right, at any time we consider appropriate, to offer, order, consent or agree to settlements or take any other remedial or corrective actions we consider expedient with respect to the action, suit, proceeding, claim, demand, inquiry or investigation if, in our sole judgment, there are reasonable grounds to do so. You will not settle or compromise any legal action in which any Indemnitee is a defendant without our prior written consent, which we may grant or withhold in our sole discretion and business judgment. Under no circumstances will we or the other Indemnitees be

required to seek recovery from third parties or otherwise mitigate their losses to maintain a claim against you. You agree that any failure to pursue recovery from third parties or mitigate loss will in no way reduce the amounts recoverable by us or the other Indemnitees from you. The indemnification obligations of this Section 9.03 will survive the expiration or sooner termination of this Agreement.

9.04 Business Entity Franchisee Requirements

If you are a corporation, limited liability company, limited partnership or any other type of business entity, you must comply with the following requirements (which will also apply to any assignee of this Agreement which is a business entity):

1. Furnish us with all of your formation, organizational and governing documents; a schedule of all current owners (indicating as to each its percentage ownership interest) in the form annexed hereto as Exhibit E; any shareholders, partnership, membership, buy-sell or equivalent agreements and documents; and, a list of all your officers, directors and managers (as applicable).

2. Confine your activities to the operation of your franchised Business, and your governing documents must provide that your activities are confined exclusively to the operation of your franchised GolfCave Business(es).

3. You must promptly notify us in writing of any change in any of the information specified, or in any document referred to, herein.

4. Maintain stop transfer instructions against the transfer on the records of any of your equity securities, and not issue or have outstanding any securities on the face of which the following printed legend does not legibly and conspicuously appear:

"The transfer of this security is subject to the terms and conditions of an Area Development Agreement with GolfCave Franchising, LLC, dated _____. Reference is made to the provisions of this Area Development Agreement and to the governing documents of the issuer. Please refer to those documents for the terms of the restrictions."

5. All of your business entity's organizational documents (including any partnership, partnership agreements, incorporation documents, organization/formation documents, bylaws, operating agreements, shareholders agreements, buy/sell or equivalent agreements, and trust instruments) will recite that the issuance or transfer of any interest in you is restricted by the terms of this Agreement, and that the sole purpose for which you are formed (and the sole activity in which you are or will be engaged) is the conduct of a franchised GolfCave Business(es) pursuant to one or more area development and/or franchise agreements from us and that your activities will be exclusively confined to such purpose. Your organizational documents will also include a "Supremacy of Area Development Agreement" clause reciting the following: "To the extent any provision of this Agreement conflicts, violates or is inconsistent with any provision of the GolfCave Franchising, LLC Area Development Agreement, the parties hereto agree that the provisions of such Area Development Agreement shall supersede the same and that the parties hereto shall enter into such amendments to this agreement as are necessary in order to make the relevant provisions consistent with or non-violative of the provisions of the GolfCave Franchising, LLC Area Development Agreement."

6. Without our prior written consent (which shall not be unreasonably withheld, delayed or conditioned), you may not permit any mortgage, lien, pledge or other security interest in respect of any of your business entity's shares, equity interests or other ownership interests. Any violation of this restriction will give us the right to terminate this Agreement immediately upon notice to you.

9.05 Best Efforts; Cooperation with Us

You agree to act in good faith and use your best efforts to comply with your obligations under this Agreement, and to cooperate with us in accomplishing the purposes of this Agreement.

9.06 Your Participation in Operations

A. You agree to devote your full time and efforts to the performance of your duties under this Agreement, and a failure to do so will constitute a material breach of this Agreement, which, unless cured as provided in Section 15.03 of this Agreement, will result in this Agreement being terminated in accordance therewith.

B. Upon the execution of this Agreement, you must designate, and must retain at all times during the Term, an individual to serve as your business to oversee the general development and operation of your GolfCave Stores (“Area Manager”). If you are an individual, you must perform all obligations of the Area Manager. If you are a business entity, prior to engaging the services of an Area Manager, you must identify such individual to us. The Area Manager must be qualified and approved, in our business judgment, to oversee multi-unit operations and must have attended and successfully completed, or promptly attend and successfully complete, our Initial Training Program (as described in the first unit Franchise Agreement we sign for your first GolfCave Business, the form of which is attached hereto). The Area Manager must execute the “Confidentiality/Non-Competition Agreement” attached as Exhibit C to this Agreement.

1. If you are a business entity, then you must designate one of your ultimate equity holders who is an individual to us to serve as the “Managing Owner” of your franchised GolfCave area development business hereunder. You may not change your Managing Owner without our prior written approval. Your designated Managing Owner may, but need not, also serve as the Area Manager of your franchised GolfCave area development business hereunder. If your Managing Owner does so, then that individual must exert full time efforts to run the daily operations of your franchised GolfCave area business hereunder. Otherwise, your Managing owner need not exert full-time efforts to run the daily operations of your area business but must oversee the efforts of your Area Manager on a constant basis.

2. You may, at your option and subject to our written consent, designate one or more district managers, to work under the supervision of the Area Manager, to supervise the operation of all GolfCave Stores developed and operated by you (and, if applicable, your affiliates) within a geographic subset of all GolfCave Stores to be developed and operated pursuant to this Agreement (each, a “District Manager”); provided however, that you and your Area Manager will remain fully responsible for any District Manager’s performance. The District Manager, if appointed, must also be identified to us and approved by us, must promptly attend and successfully complete our Initial Training Program (at your expense), and must execute the “Confidentiality/Non-Competition Agreement” attached as Exhibit C to this Agreement.

3. Unless a District Manager is designated pursuant to Section 9.06(B)(2), your Area Manager must devote full time and best efforts to the supervision of those GolfCave Stores operated by you and, if applicable, your affiliates, and, without our written consent, must not engage in any other business. The foregoing provision will not apply if a District Manager is designated, provided, the District Manager must devote his or her full time and best efforts to the supervision and operation of those GolfCave Stores conducted by you and, if applicable, your affiliates.

4. You may also appoint several Store-level managers (each, a “Store General Manager”) to oversee the day-to-day operations of each of those GolfCave Stores developed and operated by you (and, if applicable, your affiliates) pursuant to this Agreement, in accordance with the terms of the Franchise Agreement for each Store developed hereunder. Each Store-level manager must execute such confidentiality and/or non-competition agreement as required by the applicable Franchise Agreement.

5. The Business Manager, any District Manager and any Store General Manager must meet our qualifications, as set forth in this Agreement, the Brand Standards, or otherwise in writing and, without limitation, must be empowered with authority to act for and on your behalf.

9.07 Anti-Terrorism, Anti-Corruption

You represent and warrant to us that, as of the date of this Agreement and at all times during the term hereof, and to your actual or constructive knowledge, neither you, any affiliate of yours, any individual or entity having a direct or indirect ownership interest in you or any such affiliate (including any shareholder, general partner, limited partner, member or any type of owner), any officer, director, manager, or management employee of any of the foregoing, nor any funding source you utilize is or will be identified on the list of the U.S. Treasury's Office of Foreign Assets Control (OFAC); is directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States government or by any individual that is subject to an embargo imposed by the United States government; is acting on behalf of any country or individual that is subject to such an embargo; or, is involved in business arrangements or other transactions with any country or individual that is subject to an embargo. You agree that you will immediately notify us in writing immediately upon the occurrence of any event which would render the foregoing representations and warranties incorrect. Notwithstanding anything to the contrary in this Agreement, you may not allow, effect or sustain any transfer, assignment or other disposition of this Agreement to a "Specially Designated National or Blocked Person" (as defined below) or to an entity in which a "Specially Designated National or Blocked Person has an interest. For the purposes of this Agreement, "Specially Designated National or Blocked Person" means: (i) a person or entity designated by OFAC (or any successor officer agency of the U.S. government) from time to time as a "specially designated national or blocked person" or similar status; (ii) a person or entity described in Section 1 of U.S. Executive Order 13224, issued on September 23, 2001; or, (iii) a person or entity otherwise identified by any government or legal authority as a person with whom you (or any of your owners or affiliates) or we (or any of our owners or affiliates) are prohibited from transacting business.

You further agree that you will not hire, retain, employ or otherwise engage the services of any individual or entity in contravention of the Patriot Act; any law, rule or regulation pertaining to immigration or terrorism; or, any other legally prohibited individual or entity.

You represent and warrant that neither you, nor any entity or individual having an ownership interest in you; nor any affiliate of either yours; nor any officer, director, employee, contractor or servant of any of the foregoing, has in the past, currently does or will in the future support terrorism; provide money or financial services to terrorists; is engaged in terrorism; is on the current United States government list of organizations that support terrorism; has been engaged in or been convicted of fraud, corruption, bribery, money laundering, narcotics trafficking or other crimes; and, that all of the foregoing individuals are eligible under applicable United States Immigration laws to travel to the United States for training or any other purpose. You are solely responsible for ascertaining what actions you must take to comply with all anti-terrorism and anti-corruption laws, and you specifically acknowledge and agree your indemnification responsibilities as provided in this Agreement pertain to your obligations under this Section 9.07. Any misrepresentation by you under this Section 9.07. or any violation of any anti-terrorism or anti-corruption laws by you, your owners, or employees will constitute grounds for immediate termination of this Agreement and any other agreement you have entered into with us or any of our affiliates.

10. CONFIDENTIAL INFORMATION

10.01 Restriction on Use of Confidential Information

You agree that you will not, during the Term of this Agreement or thereafter, divulge to or use for the benefit of any other person(s), partnership, proprietorship, association, corporation or entity, any confidential information, knowledge or know-how concerning your or our systems of operation,

programs, services, products, customers or practices and/or pertaining to the System which may be communicated to you. Any and all information, knowledge, know-how, techniques and information which we, our Affiliates, or their respective officers, designate as confidential will be deemed confidential for the purposes of this Agreement, except information which you can demonstrate came to your attention before our disclosure or which, at or after the time of our disclosure to you, has become a part of the public domain through publication or communication by others.

11. COVENANTS NOT TO COMPETE

11.01 Covenants Not to Compete

You agree that during the Term of this Agreement, and for two (2) years immediately following the expiration or termination of this Agreement for any reason within the geographical area described below, you will not directly or indirectly engage in any other business which offers or sells any of the programs, products or services which now or hereafter are authorized for sale under the System (including an indoor golf facility or Cave) or component thereof in any manner (whether a retail, wholesale supplier or otherwise); which offers or sells related services or products; which engages in any of the activities which this Agreement contemplates that you will engage in; or, which offers or sells any other service, product or component which now or in the future is part of the System, or any confusingly similar service or product (a "Competitive Business").

During the Term and any renewal term (if any) of this Agreement, you are prohibited from directly or indirectly engaging in any Competitive Business as a proprietor, partner, investor, shareholder, director, member, officer, manager, employee, principal, agent, adviser, or consultant. In addition, you agree not to divert any business that should be handled by your franchised business to any other person or entity.

For two (2) years immediately following (a) the expiration or termination or assignment (as defined in Section 12.02, below) of this Agreement for any reason or (b) the date on which all persons restricted by this Section 11.01 begin to comply with this Section 11.01, you are prohibited from directly or indirectly engaging in, aiding, assisting, serving or participating in any Competitive Business as a proprietor, partner, investor, shareholder, director, member, officer, manager, employee, principal, agent, adviser, or consultant, if the other business is located within your Development Territory, within thirty (30) miles of the perimeter of your Development Territory, or within thirty (30) miles of the perimeter of (or within) any GolfCave Business Territory (whether Company-owned, franchised or otherwise established and operated).

It is the intention of these provisions to preclude not only direct competition but also all forms of indirect competition, such as consultation for Competitive Businesses, service as an independent contractor for Competitive Businesses, or the provision of any assistance or transmission of information of any kind which would be of any material assistance to a competitor. Nothing in this Section will prevent you from owning for investment purposes no more than an aggregate of 5% of the capital stock of any Competitive Business you do not control and whose stock is listed on the New York Stock Exchange or the National Association of Securities Dealers Automated Quotation System. It is the intention of these provisions that any person or entity with any legal or beneficial interest in or traceable to or through you be bound by the provisions of this covenant.

You agree to obtain the execution of our Confidentiality/Non-Competition Agreement (Exhibit C attached hereto) from the following persons and to cause them to refrain from the competitive activities described above: (a) before employment or any promotion, your Area Manager, any District Managers, any personnel you employ who have received or will receive training from us, all your other managerial employees and any other persons to whom you grant access to Confidential Information; and (b) if you are a Business Entity, all your officers, directors, equity holders, members and those of any Business Entity directly or indirectly controlling you, at the same time as the execution of this Agreement (or at such later time as they assume such status). You must

furnish us with copies of all signed Confidentiality/Non-Competition Agreements no later than ten (10) days following their execution.

You agree to prosecute to the fullest extent permitted by law breaches of any Confidentiality/Non-Competition Agreement executed pursuant to this Section 11.01 and you acknowledge our right, to be exercised in our sole business judgment, to ourselves enforce the terms of each executed Confidentiality/Non-Competition Agreement.

11.02 Enforcement of Covenants Not To Compete

You acknowledge that violation of the covenants not to compete in this Agreement would constitute a material breach of this Agreement and would result in immediate and irreparable injury to us for which no adequate remedy at law will be available. You therefore consent to the entry of an injunction prohibiting any conduct by you in violation of the terms of these covenants not to compete, without the necessity of our posting any bond or security. You agree that it may conclusively be presumed that any violation of the terms of the covenants not to compete was accomplished by and through your unlawful use of our Confidential Information, know-how, methods and procedures. You also agree that any claims you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of the covenants not to compete in this Agreement. You agree to pay all costs and expenses, including reasonable attorneys' and experts' fees, that we incur in connection with the enforcement of the covenants not to compete set forth in this Agreement.

The covenants not to compete set forth in this Agreement are fair and reasonable, and will not impose any undue hardship on you, since you have other considerable skills, experience and education which afford you the opportunity to derive income from other endeavors. You agree that such covenants not to compete: (a) are reasonable, including, but not limited to, their term, geographical area, and scope of activity to be restrained; (b) are designed to preclude competition which would be unfair to us; and (c) do not impose a greater restraint than is necessary to protect our goodwill and other legitimate business interests.

11.03 Lesser Included Covenants Enforceable At Law

If all or any portion of the covenants not to compete set forth in this Article 11 are held unreasonable, void, vague or illegal by any court or agency with competent jurisdiction over the parties and subject matter, the court or agency will be empowered to revise and/or construe the covenants to fall within permissible legal limits, and should not by necessity invalidate the entire covenants. You agree to be bound by any lesser covenant subsumed within the terms of this Article 11 as if the resulting covenants were separately stated in and made a part of this Agreement.

12. ASSIGNMENT

12.01 Assignment By Us

We will have the right to assign this Agreement, and all of our rights and privileges under this Agreement, to any person, firm, corporation or other entity, provided that, if the assignment results in the performance by the assignee of our functions under this Agreement: the assignee must, at the time of the assignment, be financially responsible and economically capable of performing our obligations under this Agreement, and the assignee must expressly assume and agree to perform these obligations.

You acknowledge that we will have the right to sell our company, our assets, our Proprietary Marks and/or our System to a third party; sell privately or publicly some or all of our securities; and/or undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring, and that we and our Affiliates have the right to purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that network's, chain's or business's facilities, and to operate, franchise or license those businesses and/or facilities as GolfCave Businesses operating under any

other marks other than the Proprietary Marks following the purchase, merger, acquisition or affiliation, regardless of the location of these facilities, which may be within the Territory and near your GolfCave Stores.

We have the right to delegate the performance of any portion or all of our obligations under this Agreement to third party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Section 12.01.

12.02 Assignment By You – General

Your rights and obligations under this Agreement are personal because we have entered into this Agreement in reliance on and in consideration of your singular personal trust, confidentiality, skill and qualifications (or, if you are an entity, the personal trust, confidentiality, skill and qualifications of your owners and employees). Therefore, except as provided below, neither your interest in this Agreement, your rights, privileges or obligations under this Agreement, the franchised Business, the Stores developed hereunder, nor any interest in the franchised Business, or you if you are a business entity (including any capital stock, membership, partnership or proprietary interest of you or anyone who controls you), may be assigned, sold, transferred, shared, reconsidered, sublicensed or divided, voluntarily or involuntarily, directly or indirectly, in one or a series of related transactions, by operation of law or otherwise (each, an "assignment"), without first obtaining our written consent as provided in this Article 12. Any assignment in violation of this Article 12 will be null, void and of no effect.

12.03 Assignment By You – To A Business Entity You Form

We will not unreasonably withhold or delay our consent to your assignment to a Business Entity that you form solely for the convenience of entity ownership if all the following conditions are met:

1. The Business Entity is newly formed and each requirement in Sections 9.04 and 18.15 has been satisfied.
2. Each individual involved in the new entity has the same proportionate ownership interest in the new entity as he or she had in your franchised Business(es) before the assignment.
3. You and the new entity sign an agreement with us under which you and the new entity are jointly and severally liable for all the obligations under this Agreement and bound by all the terms, conditions and covenants of this Agreement.
4. Each present and future equity holder in the new entity signs our Confidentiality/Non-Competition Agreement in the form of Exhibit C to this Agreement.

12.04 Assignment By You – Transfer Upon Death or Disability

Upon your death or long-term disability (if you are an individual) or the death or disability of any "Key Equityholder" as defined below (if you are a Business Entity), that person's rights will pass to his or her estate, heirs, legatees, guardians or representatives, as appropriate (collectively, the "Estate"). "Key Equityholder" means a 25% shareholder, member, partner or proprietor of the Franchisee as of the Effective Date.

The Estate may continue the operation of the franchised Business if: (i) the Estate provides a competent and qualified individual acceptable to us to serve as Area Manager and operate your GolfCave Businesses on a full-time basis, and (ii) this individual assumes full-time operation of the Businesses as Area Manager within one (1) month of the date the person dies or becomes disabled. If the Estate does not designate an Area Manager or the Estate's designated Area Manager does not assume the full-time operation of the franchised Business within one (1) month, this will be a

material breach of this Agreement which, unless cured by the Estate as provided in Section 15.03, will result in this Agreement being terminated immediately.

12.05 No Encumbrance

You will have no right to pledge, encumber, hypothecate or otherwise give any third party a security interest in this Agreement, the Franchise Agreements or the Businesses in any manner without our prior written permission, which we may withhold for any reason.

13. PROPRIETARY MARKS

13.01 Not a License of the Proprietary Marks

You acknowledge and agree that nothing contained in this Agreement will be deemed to constitute a license to you to use or display any of the Proprietary Marks in any manner. You will acquire a limited, non-exclusive license to use the Proprietary Marks only pursuant to, and to the extent that these rights are granted by, Franchise Agreements executed by you and us pursuant to this Agreement.

13.02 Non-Use of Trade Name

If you are a Business Entity, you may not use our Proprietary Marks or any confusingly similar words or symbols, in your entity name. In particular, you may not use the words "GolfCave," "GolfCave Franchising, LLC," or any variant as part of your Business Entity name.

13.03 Injunction

You explicitly affirm and recognize the unique value and secondary meaning attached to the System and the Proprietary Marks. Accordingly, you agree that any non-compliance by you with the terms of this Agreement, or any unauthorized or improper use of the System or the Proprietary Marks by you, will cause irreparable damage to us and other GolfCave franchisees. You therefore agree that if you engage in this non-compliance, or unauthorized and/or improper use of the System or Proprietary Marks, during or after the period of this Agreement, we will be entitled to both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law. You consent to the entry of these temporary and permanent injunctions.

14. RELATIONSHIP OF THE PARTIES

14.01 Independent Contractor; No Third Party Beneficiaries

You are and will be our independent contractor under this Agreement. Nothing in this Agreement may be construed to create a partnership, joint venture, agency, employment or fiduciary relationship of any kind. Neither you nor any of your employees whose compensation you pay may in any way, directly or indirectly, expressly or by implication, be construed to be our employee for any purpose. You will be solely responsible for your employees and all employment related decisions, including, without limitation, decisions concerning wages and benefits, hiring and discharging, training and supervision and work schedules of employees. You are not empowered to, and may not, make any express or implied agreements, warranties, guarantees or representations or incur any debt or other obligations in our name or for our account (or for those of any of our Affiliates). Except as expressly provided in this Agreement, we will have no control or access to your funds or their expenditure or in any other way exercise control over your franchised area business hereunder. You must communicate to all your employees that you, not us, are their employer; and you must ensure that no payroll checks or other employment-related documents (such as job applications and W-2s) contain or reference the Proprietary Marks or our name. Each of the parties will file its own tax, regulatory, and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof.

You agree to conspicuously identify yourself, your area development business, your franchised Businesses, your Stores, and any other facilities of your franchised Businesses in all dealings with third parties as an independent GolfCave franchised Business and to place notice of independent ownership on all forms, business cards, stationery, advertising, signs and other materials in the manner that we specify and require from time to time, in our Brand Standards or otherwise.

All of our obligations under this Agreement are to you alone and no other party is entitled to rely on, enforce or obtain relief for breach of any of our obligations hereunder, either directly or by subrogation.

You promise that you will not avail yourself of any rights or remedies at law or in equity that may arise from an assertion that: (i) you are our agent, legal representative, subsidiary, joint venturer, partner, employee, or servant; or (ii) we are a joint employer for your employees. If such a claim is brought against us, we may use your covenant in this Section 14.01 as an absolute defense against such claim. Further, if any such claim is brought against us or our affiliates and subsidiaries, and their respective current and former officers, directors, shareholders, partners, employees, predecessors, successors, attorneys, agents, representatives, and assigns, you will indemnify, defend, and hold harmless any such party from and against any such claim.

14.02 Your Required Means of Identification

You agree that you will do business and be identified as an area franchisee, but not an agent of, GolfCave Franchising, LLC.

15. DEFAULT AND TERMINATION

15.01 Termination By Us – Automatic Termination Without Notice

You will be in default of this Agreement, and all rights granted in this Agreement will immediately and automatically terminate and revert to us without notice to you, if: you or any of the Businesses or any Guarantor thereof is adjudicated as bankrupt or insolvent; all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor or creditors; a petition in bankruptcy is filed by or against you or any of the Businesses or Guarantor thereof and is not immediately contested and thereafter dismissed or vacated within sixty (60) days from filing; you admit in writing your inability to pay your debts when due; you, your franchised Business(es) and any affiliate or Guarantor thereof cause, permit or acquiesce in an order for relief under the U.S. Bankruptcy Code or any other applicable federal or state bankruptcy, insolvency, reorganization, receivership or other similar law now or hereafter in effect, or consent to the entry for an order for relief in an involuntary proceeding or to the conversion of an involuntary proceeding to a voluntary proceeding, under any such law; a bill in equity or other proceeding for the appointment of a receiver or other custodian of you, any of the Businesses, any Guarantor thereof or assets of any of them is filed and consented to by any of them; a receiver or other custodian (permanent or temporary) of all or part of the assets or property of you, any of the Businesses or any Guarantor thereof is appointed by any court of competent jurisdiction; proceedings for a composition with creditors under any state or federal law are instituted by or against you or any of the Businesses or any Guarantor thereof; you are dissolved; execution is levied against you, any of the Businesses or any Guarantor thereof or your property; the real or personal property of or any of the Businesses or any Guarantor thereof is sold after levy thereon by any governmental body or agency, sheriff, marshal, constable or other person authorized under federal, state and/or local law; a final court judgment against you remains unsatisfied or of record for thirty (30) days or longer (unless supersede as bond is filed); a judicial or non-judicial action to foreclose any lien or mortgage against any of your System Store premises or equipment is instituted against you and is not dismissed or settled by the earlier of (i) thirty (30) days from commencement or (ii) consummation of such sale; or, if you are a business entity, your

governing body adopts any resolution or otherwise authorizes action to approve any of the foregoing activities.

15.02 Termination By Us Upon Notice – No Opportunity To Cure

You will have materially breached this Agreement and, in addition to all other remedies we have at law or in equity, we will have the right, at our option, to terminate this Agreement and all rights granted under this Agreement, without giving you any opportunity to cure the breach, effective immediately upon your receipt of notice (which, whether sent by overnight courier, personal physical delivery or any other manner authorized herein, will be deemed to have been received by you upon delivery or first attempted delivery of the notice to you) upon the occurrence of any of the following events:

1. You omitted or misrepresented any material fact in the information that you furnished to us in connection with our decision to enter into this Agreement.
2. We and you agree in writing to terminate this Agreement.
3. You, your Area Manager, any of your District Managers, and/or, if you are a business entity, any owner, member, shareholder, director or manager (as applicable) of such entity is convicted of a felony, fraud, crime involving moral turpitude, or any other crime or offense which we reasonably believe is related to your duties under this Agreement and/or your operation of any of the Businesses, or is likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated with the Proprietary Marks or our interest in the System or Proprietary Marks.
4. You purport or, if you are a business entity, any owner or principal of you purports to transfer any rights or obligations under this Agreement, any interest in you or any of the Businesses to any third party in violation of the terms of this Agreement.
5. You do not comply with the covenant not to compete during the term of this Agreement; violate the restrictions pertaining to the use of Confidential Information contained in this Agreement; or, do not obtain the execution of the additional covenants required in Article 11 of this Agreement.
6. You, your Area Manager and all others required to do so fail to attend or successfully complete our Initial Training Program.
7. You knowingly or through gross negligence: conceal revenues; maintain false books or records; falsify information or otherwise defraud or make false representations to us; or, submit any false report to us.
8. After curing a default which is subject to cure under Section 15.03 below, you commit the same act of default again within six (6) months.
9. You make a willful misrepresentation or do not make a material disclosure required by any governmental authority regarding any matter involving or affecting your obligations under this Agreement or the operations of the Businesses.
10. You interfere or attempt to interfere in any manner with our or our affiliates' contractual relations and/or our relationships with other franchisees; any supplier of you, us or other franchisees; any governmental or quasi-governmental authority; our employees or advertising agencies; or, any third parties.
11. You commit any act or default which materially impairs the goodwill associated with our Proprietary Marks and which, by its nature, is incurable; or, if the default is curable, you fail to cure the default following delivery of written notice to cure at least seventy-two hours in advance.

12. You do not comply, for a period of fifteen (15) days after notification of non-compliance by us or any governmental or quasi-governmental authority, with any federal, state or local law or regulation applicable to the operation of the franchised Business.
13. You repeatedly fail to comply with one or more requirements of this Agreement, whether or not corrected after notice.
14. You, your Area Manager, or any of your District Managers violate any law, rule or regulation, and/or engages in any act or practice, which subjects you and/or us to widespread publicity, ridicule or derision.
15. You use or duplicate any aspect of our System, services, programs or products in an unauthorized fashion.
16. You engage in any business or market any service or product under a name or mark which, in our opinion, is confusingly similar to our Proprietary Marks.
17. You engage in conduct which reflects materially and unfavorably upon the operation and reputation of the Businesses, us or the System.
18. You or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation.
19. Per Section 15.05 ("Cross-Default"), you (or any of your owners) fail to cure within the applicable time period any breaches under this Agreement, or any other agreement between you (or any of your affiliates) and us (or any of our affiliates) including, but not limited to, any other area development agreement, franchise agreement, lease or promissory note.

15.03 Termination by Us – Fifteen Days to Cure

Except as specifically provided elsewhere in this Agreement, you will have fifteen (15) calendar days following our delivery of written notice to you to cure any default under this Agreement (or, if the default cannot reasonably be cured within this time, to initiate action to cure the default within such time and complete cure within the shortest reasonable time thereafter) and to provide us with evidence that you have done so. If you have not cured any default within that time, (or, if the default cannot reasonably be cured within such time, you have not initiated action to cure the default within the applicable cure period and thereafter cure the default within the shortest reasonable time thereafter), or any longer period that applicable law may require, then, in addition to all other remedies we have at law or in equity, this Agreement will terminate immediately upon expiration of the applicable cure period, or any longer period required by applicable law, without further notice to you.

You will be in default of this Agreement for any failure to comply with any of your obligations and, if you are a business entity, your owners and Guarantors, imposed by this Agreement, our Brand Standards and/or all Supplements to the Brand Standards or if you and/or your owners or Guarantors otherwise fail to fulfill the terms of this Agreement in good faith. These defaults include the following events, which are set forth as examples only and are not meant to, nor shall they be deemed to, delineate all of the possible defaults which you may commit under this Agreement:

1. You or any of your affiliates fail, refuse or neglect to pay promptly when due any money owed to us, our affiliates or any lender which has provided financing to your franchised Business. The cure period for this default shall not be the above-referenced fifteen (15) calendar days but, instead, will be five (5) calendar days after we transmit to you a written notice of default. If you fail to cure any such default within

such shortened cure period, then this Agreement will terminate immediately upon expiration of the applicable cure period.

2. You fail, refuse or neglect to submit the financial and non-financial reports and other information required to be submitted to us under this Agreement, our Brand Standards or other written notices we transmit to you, or you make any false statements in connection with any reports or other information required to be submitted to us.
3. You fail to maintain your trade accounts in a current status and/or fail to seek to promptly resolve any disputes with trade suppliers.
4. You engage in any business, or market any program, product or service, under a name or mark which, in our opinion, is confusingly similar to the Proprietary Marks.
5. You fail to pay any taxes due and owing by your franchised business hereunder (including employee taxes) when due.
6. You do not use our Proprietary Marks and/or trade dress solely in the manner and for the purposes directed by us in this Agreement, our Brand Standards or otherwise.
7. You do not indemnify us and/or one of the Franchisor Parties as required by this Agreement.
8. By act or omission, you permit a continued violation in connection with the operation of your business hereunder of any law, ordinance, rule or regulation of a governmental agency, in the absence of a good faith dispute over its application or legality and without promptly resorting to an appropriate administrative or judicial forum for relief.
9. You fail to obtain or maintain any required permit, certificate or other governmental approval required either by this Agreement or applicable law, rule or regulation.
10. You employ any individual who is not eligible for employment in the United States under any federal, state, local or other law, rule or regulation.
11. Any Guarantor fails to comply with any of the requirements imposed by or pursuant to the Guarantee addressed in Section 18.15 of this Agreement.
12. You do not devote the amount of your time and attention and/or your best efforts to the performance of your duties of this Agreement necessary for the proper and effective operation of your franchised area development business hereunder.
13. You fail to implement (and, at your expense, take all steps necessary to implement) and thereafter adhere to any new or changed System requirements.
14. A final judgment not subject to appeal is entered against you or any Guarantor and remains unsatisfied for more than thirty (30) days or, if any such judgment is subject to appeal, you do not prosecute such appeal within thirty (30) days (or such shorter period as any law, rule or regulation requires).
15. You fail to comply with any other requirement imposed by this Agreement or our Brand Standards, or otherwise fail to carry out the terms of this Agreement in good faith.

15.04 Description of Default

The description of any default in any notice that we transmit to you will in no way preclude us from specifying additional or supplemental defaults under this Agreement or any related agreements in any action, proceeding, hearing or lawsuit relating to this Agreement or the termination of this Agreement.

15.05 Cross Default

Any default or breach by you (or any of your affiliates) of any other agreement between us or our Affiliates and you (or any of your affiliates) will be considered a default under this Agreement, and any default or breach of this Agreement by you will be considered a default or breach under any and all other agreements between us (or any of our Affiliates) and you (or any of your affiliates). If the nature of the default under any other agreement would have permitted us to terminate this Agreement if the default had occurred under this Agreement, or if the nature of the default under this Agreement permits us to terminate this Agreement, then we (or our Affiliate) will have the right to terminate any or all of the agreements between us (or any of our Affiliates) and you (or any of your affiliates) in the same manner provided for in this Agreement for termination of this Agreement. Your "affiliates" include any persons or entities controlling, controlled by, or under common control with you.

15.06 Notice Required By Law

If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement or the parties to this Agreement limits our rights of termination under this Agreement or requires longer notice or cure periods than those set forth above, then this Agreement will be considered modified to conform to the minimum notice, cure periods or restrictions upon termination required by the laws and regulations. We will not, however, be precluded from contesting the validity, enforceability or application of the laws or regulations in any action, proceeding, hearing or dispute relating to this Agreement or the termination of this Agreement.

16. OTHER OBLIGATIONS AND RIGHTS ON TERMINATION OR EXPIRATION

16.01 Other Obligations and Rights on Termination or Expiration

The termination of this Agreement upon breach of your development obligations, as set forth in Section 6.01 above, will not terminate any of the Unit Franchise Agreements executed by you before the effective date of termination of this Agreement and for which you have already commenced the franchised GolfCave Business(es) covered by the Unit Franchise Agreement(s), but after the effective date of the termination, you will have no right to develop or operate any additional GolfCave Business without first obtaining our express written consent, which we may withhold without cause.

Upon expiration or earlier termination of this Agreement for whatever reason, you agree to:

1. Immediately pay all sums due and owing to us or our Affiliates, plus interest, and all sums due and owing to any landlord, employees, taxing authorities, advertising agencies and all other third parties.
2. If we terminate because of your default, pay us all losses and expenses we incur as a result of the default or termination, including all damages, costs, and expenses, and reasonable attorneys' and experts' fees directly or indirectly related thereto, such as (without limitation) lost profits, lost opportunities, damage inuring to our Proprietary Marks and reputation, travel and personnel costs and the cost of securing a new area franchisee for the Development Territory. This obligation will give rise to and remain, until paid in full, a lien in our favor against any and all of assets, property, furnishings, equipment, signs, fixtures and inventory owned by you and any of the Businesses at the time of termination and against any of your money which we are holding or which is otherwise in our possession.
3. Immediately execute all agreements necessary to effectuate the termination in a prompt and timely manner.

4. Strictly comply with the post-termination/post-expiration covenants not to compete set forth in Article 11 of this Agreement.
5. Continue to abide by those restrictions pertaining to the use of our Confidential Information, trade secrets and know-how set forth in Article 10 of this Agreement.

16.02 No Prejudice

The expiration or termination of this Agreement will be without prejudice to our rights against you, and will not relieve you of any of your obligations to us at the time of expiration or termination, or terminate your obligations which by their nature survive the expiration or termination of this Agreement.

17. UNAVOIDABLE DELAY OR FAILURE TO PERFORM (FORCE MAJEURE)

17.01 Unavoidable Delay or Failure to Perform (Force Majeure)

Any delay in our or your performance of any duties under this Agreement, or any non-performance of such duties, that is not your or our fault (as applicable) or within your or our reasonable control – including, but not limited to, fire; floods, natural disasters; Acts of God; war; civil commotion; any governmental act or regulation; any delays or defaults in deliveries by common carriers and/or postal services and/or overnight couriers; computer network outages; late deliveries or non-deliveries of goods or non-furnishing of services by third party vendors; strikes; and any other similar event beyond such party's control) will not constitute a breach or cause a default under this Agreement, provided, however, that we or you (as applicable) will take all steps reasonably possible to mitigate damages caused by such failure or delay.

Notwithstanding the foregoing, if any such failure or delay continues for more than 180 days, we will have the right at any time thereafter during the continuance of such failure or delay to terminate this Agreement upon thirty (30) days advance written notice to you.

18. ADDITIONAL PROVISIONS

18.01 Waiver and Delay

No waiver or delay in either party's enforcement of any breach of any term, covenant or condition of this Agreement will be construed as a waiver by that party of any preceding or succeeding breach, or any other term, covenant or condition of this Agreement. Without limiting any of the foregoing, the acceptance of any payment specified to be paid by you under this Agreement will not be, nor be construed to be, a waiver of any breach of any term, covenant or condition of this Agreement.

We shall not be required to waive or impair any right, power, or option this Agreement reserves (including, without limitation, our right to demand exact compliance with every term, condition, and covenant or to terminate this Agreement before its term expires due to a breach) because of any custom or practice at variance with this Agreement's terms; our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including, without limitation, any System standard; our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other GolfCave Stores; the existence of area development agreements for other GolfCave Stores which contain provisions different from those contained in this Agreement; or, our acceptance of any payments due from you after any breach of this Agreement.

18.02 Notice of Our Alleged Breach

You agree to give us immediate written notice of any alleged breach or violation of this Agreement after you have constructive or actual knowledge of, believe, determine or are of the opinion that there has been an alleged breach of this Agreement by us, including any acts of

misfeasance or nonfeasance. If you do not give written notice to us of any alleged breach of this Agreement within one (1) year from the date that you have knowledge of, believe, determine or are of the opinion that there has been an alleged breach by us, then our alleged breach will be considered to be condoned, approved and waived by you and will not be considered to be a breach of this Agreement by us, and you will be permanently barred from commencing any action against us for the alleged breach or violation.

18.03 Our Right To Cure Defaults

In addition to all other remedies granted pursuant to this Agreement, if you default in the performance of any of your obligations, or breach any term or condition of this Agreement or any related agreement, then we may, at our election, immediately or at any time thereafter, without waiving any claim for breach under this Agreement and without notice to you, cure the default on your behalf. Our cost of curing the default and all related expenses will be due and payable by you on demand.

18.04 Our Withholding of Consent – Your Exclusive Remedy

If you make any claim or assertion that we have unreasonably withheld or delayed any consent or approval to a proposed act by you under the terms of this Agreement, you agree that your sole remedy for the claim will be an action or proceeding to enforce the Agreement provisions, for specific performance or for declaratory judgment.

18.05 Integration of Agreement; No Oral Agreements or Representations

Neither you nor we wish to enter into a business relationship with the other in which any terms or obligations are the subject of alleged oral statements or in which oral statements serve as the basis for creating rights or obligations different than or supplementary to the rights and obligations set forth herein. Accordingly, you and we agree that this Agreement, all Exhibits to this Agreement and all related agreements signed at the same time as this Agreement constitute the entire agreement between the parties with reference to the subject matter of this Agreement and supersede any and all prior negotiations, understandings, representations and agreements; provided, however, that nothing in this Section 18.05 is intended to disclaim the representations we made in the Franchise Disclosure Document that we provided to you.

No change, modification, amendment or waiver of any of the provisions of this Agreement will be effective and binding upon either party unless it is in writing, specifically identified as an amendment to this Agreement or waiver of any of the provisions of this Agreement, and signed by the party against whom enforcement of such writing is sought.

18.06 Notices

Any notice required or permitted to be given under this Agreement must be in writing; must be delivered to the other party either personally or by recognized, documented overnight delivery service capable, through “signature capture” or otherwise, of documenting delivery or attempted delivery of the notice, or by electronic mail with third party proof of delivery (including date and time); and, will be effective on the date that delivery is documented to have been first attempted. Any notice to us will be addressed to us at:

GolfCave Franchising, LLC
1 Clarkton Drive

Clark, NJ 07066
Attention: General Manager

With a contemporaneous copy (which shall not constitute notice) to:

Kaufmann Gildin & Robbins LLP
767 Third Avenue, 30th Floor
New York, New York 10017
Attention: David J. Kaufmann, Esq.

Any notice to you will be addressed to your address as set forth on the first page of this Agreement. Either party to this Agreement may, in writing, on ten (10) days' notice, inform the other of a new or changed address or addressee(s) to which notices under this Agreement should be sent. We may provide any notice under this Agreement (including, without limitation, any notice of termination) sufficiently in advance of any event to permit compliance with any notice requirements under state or other laws.

18.07 Execution, Construction and Interpretation; Further Acts

A. This Agreement may be executed in multiple counterparts, each of which will be considered an original and all of which together will constitute one and the same instrument. Facsimile execution signatures will be considered as binding and conclusive as if original, provided, however, that any party so executing must use all commercially reasonable efforts to furnish to the other party(ies) the originally executed document(s) at the earliest opportunity.

B. The titles and subtitles of the various articles and sections of this Agreement are inserted for convenience and will not affect the meaning or construction of any of the terms, provisions, covenants and conditions of this Agreement. The language of this Agreement will in all cases be construed simply according to its fair and plain meaning and not strictly for or against us or you.

C. It is agreed that if any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision will have the meaning which renders it valid.

D. The parties agree to execute all other documents and perform all further acts necessary or desirable to carry out the purposes of this Agreement.

E. Each reference in this Agreement to a corporation or partnership will also refer to a limited liability company, general or limited partnership, and any other entity or similar organization. Each reference to the organizational documents, shareholders, directors, officers and stock of a corporation in this Agreement will also refer to the functional equivalents of the organizational documents, shareholders, directors, officers and voting and/or equity rights, as applicable, in the case of a limited liability company, general partnership, limited partnership or any other entity or similar organization (this specifically includes members and managers, general and limited partners, membership interests and general and limited partnership interests).

18.08 Business Judgment

You and we recognize, and any mediator or judge is affirmatively advised, that certain provisions of this Agreement describe our right to take (or refrain from taking) certain actions in the exercise of our business judgment based on our assessment of the overall best interests of the System. Where such discretion has been exercised, and is supported by our business judgment, neither a mediator nor a judge may substitute his or her judgment for the judgment we have so exercised. "Business judgment" is a defined term for the purposes of this Agreement and is not intended to incorporate principles related to the application of any business judgment rule in a corporate law context.

18.09 Exercise of Rights

You understand and agree that whenever we have reserved a right in this Agreement, we have the uncontrolled and unfettered right to do what we have reserved.

18.10 Severability

Nothing contained in this Agreement may be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provision of this Agreement and any present or future statute, law, ordinance or regulation required to be made applicable to this Agreement, the latter will prevail, but the affected provision of this Agreement will be curtailed and limited only to the extent necessary to bring it within the requirement of the law. If any article, section, sentence or clause of this Agreement is held to be indefinite, invalid or otherwise unenforceable, the entire Agreement will not fail for this reason, and the balance of the Agreement will continue in full force and effect. If any court of competent jurisdiction deems any provision of this Agreement (other than for the payment of money) so unreasonable as to be unenforceable as a matter of law, the court may declare a reasonable modification of this Agreement and this Agreement will be valid and enforceable, and the parties agree to be bound by and perform this Agreement as so modified.

18.11 Attorneys' Fees and Costs of Enforcement

The prevailing party will be entitled to recover from the other party reasonable attorneys' fees, experts' fees, court costs and all other expenses of litigation in any action instituted against the other party to secure or protect the prevailing party's rights under this Agreement, to enforce the terms of this Agreement, or in any action commenced or joined in by the other party against the prevailing party. If we incur costs and expenses due to your failure to pay when due amounts owed to us, to submit when due any reports, information, or supporting records, or otherwise to comply with this Agreement, you agree, whether or not we initiate a formal legal proceeding, to reimburse us for all of the costs and expenses that we incur, including, without limitation, reasonable accounting, attorneys' and related fees, including any fees and costs incurred in connection with collection of any amounts due and, obtaining injunctive or other relief for the enforcement of any provisions of this Agreement.

18.12 Governing Law

This Agreement; all relations between us; and, any and all disputes between, on the one hand, you and/or any of your owners, officers, directors, managers, or affiliates, and on the other hand, us and/or any of our owners, officers, directors, managers, or affiliates, whether such dispute sounds in law, equity or otherwise, is to be exclusively construed in accordance with and/or governed by (as applicable) the law of the state of New York without recourse to New York (or any other) choice of law or conflicts of law principles. If we move our principal headquarters to another state, we reserve the right to designate that state's law as governing, again without recourse to that successor state's (or any other) choice of law or conflicts of law principles, upon written notice to you. If, however, any provision of this Agreement is not enforceable under the laws of New York (or a successor state we designate as provided above), and if your franchised Business(es) hereunder are located outside of New York (or such hereafter designated state) and the provision would be enforceable under the laws of the state in which the franchised Business(es) are located, then that provision (and only that provision) will be interpreted and construed under the laws of that state. This Section 18.12 is not intended to invoke, and shall not be deemed to invoke, the application of any franchise, business opportunity, antitrust, unfair competition, fiduciary or any other doctrine of law of the State of New York, or any successor state we designate (as provided above), which would not otherwise apply by its terms jurisdictionally or otherwise but for the within designation of governing law or which, by virtue of its denominated geographic or subject matter scope, would not by its terms otherwise apply.

18.13 Venue

Any action or proceeding brought by us or you (and/or any of our or your respective affiliates, and their respective owners, members, officers, directors or managers) against any such other party, whether sounding in law or equity, will be instituted, litigated through conclusion and, if necessary, appealed through final, irrevocable judgment exclusively in a state or federal district court of competent jurisdiction situated in the state, county and judicial district in which our principal place of business is then located (which is currently Union County, New Jersey). Any such action or proceeding shall be brought in federal court if federal court jurisdiction exists and, if it does not exist, then in state court. You (and your affiliates, and the owners, members, officers, directors or managers of each of the foregoing) hereby irrevocably submit themselves to the jurisdiction of any such court and waive all questions of personal jurisdiction for the purpose of carrying out this provision. You (and each of your affiliates, and the owners, members, officers, directors or managers of each of the foregoing) agrees that any dispute as to the venue for litigation will be submitted to and resolved exclusively by such aforementioned court. Notwithstanding the foregoing, however, with respect to any action for monies owed, injunctive or other extraordinary or equitable relief, or involving possession or disposition of, or other relief relating to, your franchised Business(es) or area development business hereunder, we may bring such an action in any state or federal district court which has jurisdiction. You, on behalf of yourself and your affiliates, and the owners, members, officers, directors or managers of each of the foregoing, hereby waive and covenant never to assert or claim that the venue designated for litigation by this Agreement is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including any claim under the judicial doctrine of "forum non conveniens"). The parties agree that this Section 18.13 shall not be construed as preventing either party from removing an action or proceeding from state to federal court.

18.14 Punitive Damages

In no event will we be liable to you for punitive damages in any action or proceeding arising out of or relating to this Agreement; any breach, termination, cancellation or non-renewal of this Agreement; or, in any other action or proceeding whatsoever between the parties to this Agreement and/or any of their affiliates. You hereby waive and covenant never to advance any such claim for punitive damages.

18.15 Guarantee

If you are a Business Entity, the following persons must sign our standard form Guarantee (Exhibit D) at the same time as the execution of this Agreement or at such later time as they assume such status: (a) if you are a corporation or limited liability company, all shareholders or members (as applicable) owning 5% or more of your issued and outstanding stock or membership interests, as applicable; (b) if you are a partnership, all general partners owning a 5% or greater interest in you; and, (c) if you are a limited partnership, the general partner and all shareholders owning a 5% or greater interest in the general partner.

If you are in breach or default under this Agreement, we may proceed directly against each such individual and/or entity (each, a guarantor) without first proceeding against you and without proceeding against or naming in the suit any other guarantors. Your obligations and those of each guarantor will be joint and several. Notice to or demand upon guarantor will be considered notice to or demand upon you and all guarantors, and no notice or demand need be made to or upon all guarantor. The cessation of or release from liability of you or any guarantor will not relieve any other guarantor from liability under this Agreement, except to the extent that the breach or default has been remedied or money owed has been paid.

18.16 Survival

Any provision of this Agreement which imposes an obligation following the termination or expiration of this Agreement will survive the termination or expiration and will continue to be binding upon the parties to this Agreement.

This Agreement will be binding upon and inure to the benefit of the parties, their heirs, successors and assigns.

18.17 Your Additional Representations and Acknowledgments

You acknowledge, warrant and represent to us that:

1. You understand that we do not represent that you will have the ability to procure any required license, permit, certificate or other governmental authorization that may be necessary or required for you to operate your franchised Businesses or carry out the other activities contemplated by this Agreement.
2. You have received from us a copy of our Franchise Disclosure Document at least fourteen (14) calendar days before the execution of this Agreement or at least fourteen (14) calendar days before the payment by you to us of any consideration in connection with the sale or proposed sale of the area franchise granted by this Agreement.
3. You affirm that all information set forth in all applications, financial statements and submissions to us are true, complete and accurate in all respects, and you expressly acknowledge that we are relying on the truthfulness, completeness and accuracy of this information.
4. You acknowledge that you have received a complete copy of this Agreement and all related attachments and agreements at least seven (7) calendar days prior to the date on which this Agreement was executed. You further acknowledge that you have received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission entitled "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures" at least fourteen (14) business days prior to the date on which this Agreement was executed.
5. If you are a business entity (including a corporation, limited liability company, general partnership or limited partnership), you are organized under the laws of the state of your principal place of business (or another state which you have identified to us) and your business entity is in good standing with and qualified to do business in each state and political/governmental subdivision having jurisdiction over your franchised area business hereunder.
6. If you are business entity, you have all requisite power and authority to execute, deliver, consummate and perform all of your obligations under this Agreement, and all necessary business entity proceedings have been duly taken to authorize the execution, delivery and performance of this Agreement. This Agreement has been duly authorized, executed and delivered by you, includes your legal, valid and binding obligations, and will be binding and enforceable upon you and your successors and assigns in accordance with its terms when executed by both parties.

19. SUBMISSION OF AGREEMENT

19.01 Submission of Agreement

The submission of this Agreement to you merely as an exhibit to our Franchise Disclosure Document (and not individually) does not constitute an offer. This Agreement will become effective only upon the execution of this Agreement by both us and you. Our date of execution will be considered the date of execution of this Agreement.

THIS AGREEMENT WILL NOT BE BINDING ON US UNLESS AND UNTIL IT HAS BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF OURS.

YOU ACCEPT AND AGREE TO EACH AND ALL OF THE PROVISIONS, COVENANTS AND CONDITIONS OF THE FOREGOING AGREEMENT.

[signature page follows]

Dated: _____

Attest:

Witness/Date

AREA FRANCHISEE:

If a Business Entity:

(Name of Entity)

By: _____

Name: _____

Title: _____

If one or more individuals:

(Signature)

(Print Name)

(Signature)

(Print Name)

This Agreement was executed by Area Franchisee in the state of _____.

Dated: _____

Attest:

Witness/Date

FRANCHISOR:

GOLFCAVE FRANCHISING, LLC

By: _____

[signature page to Area Development Agreement]

Initials Franchisor _____ Area Franchisee _____

CALIFORNIA ADDENDUM TO AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Area Development Agreement, the following provisions will supersede and apply to all area development agreements offered and sold in the State of California:

1. 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 in connection with the franchise.

[signature page follows]

Signed:

AREA FRANCHISEE:

FRANCHISOR:

If an entity, name of entity:

GOLFCAVE FRANCHISING LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

If an individual:

Signature: _____

Print name: _____

Date: _____

If an individual:

Signature: _____

Print name: _____

Date: _____

[signature page to California Addendum to Area Development Agreement]

HAWAII ADDENDUM TO AREA DEVELOPMENT AGREEMENT

1. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee (or area developer) 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.

2. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals. Signed:

AREA FRANCHISEE:

FRANCHISOR:

If an entity, name of entity:

GOLFCAVE FRANCHISING LLC

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

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

If an individual:

Signature: _____
Print name: _____
Date: _____

Signature: _____
Print name: _____
Date: _____

ILLINOIS ADDENDUM TO AREA DEVELOPMENT AGREEMENT

Illinois law governs the Franchise Agreement(s).

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

This Addendum may be executed in counterparts. Electronic signatures have the same force as originals.

Franchisor will defer collecting all Initial Franchise Fees payable by franchisees until Franchisor satisfies its pre-opening obligations under the Franchise Agreement and the franchisee has commenced business operations. In addition, Franchisor shall defer collecting all Development Fees payable by area developers until Franchisor has fulfilled its pre-opening obligations and the first franchise under the Area Development Agreement commences business operations. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee (or area developer) 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.

This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[signature page follows.]

Dated: _____

AREA FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

GOLFCAVE FRANCHISING, LLC

By: _____

Name: _____

Title: _____

[signature page to Illinois Addendum to Area Development Agreement]

INDIANA ADDENDUM TO AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Area Development Agreement, the following provisions will supersede and apply:

1. The laws of the State of Indiana supersede any provisions of the Area Development Agreement or New York law if such provisions are in conflict with Indiana law. The Area Development Agreement will be governed by Indiana law, rather than New York law, as stated in Section 18.12 of the Area Development Agreement.
2. Venue for litigation will not be limited to the county and state where the Franchisor's principal headquarters is located (currently Union County, New Jersey), as specified in Section 18.13 of the Area Development Agreement.
3. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the area franchise without good cause or in bad faith, good cause being defined therein as a material breach of the area development agreement, will supersede the provisions of Article 15 of the Area Development Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.
4. No release language set forth in the Area Development Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.
5. Section 11.02 of the Area Development Agreement ("Enforcement of Covenants Not to Compete") will not apply to area franchises offered and sold in the State of Indiana.
6. Section 18.04 of the Area Development Agreement ("Our Withholding of Consent – Your Exclusive Remedy") will not apply to area franchises offered and sold in the State of Indiana.
7. Section 11.01 of the Area Development Agreement is revised to limit the geographical extent of the post-term covenant not to compete to Area Franchisee's Development Territory for all area franchises sold in the State of Indiana.
8. Section 13.03 of the Area Development Agreement ("Injunction") will not apply to area franchises offered and sold in the State of Indiana.
9. Section 18.14 ("Punitive Damages") is deleted from the Area Development Agreement for area franchises offered and sold in the State of Indiana.
10. Notwithstanding the terms of Section 9.03 of the Area Development Agreement ("Indemnification"), Area Franchisee will not be required to indemnify Franchisor and the other Indemnitees for any liability caused by Area Franchisee's proper reliance on or use of procedures or materials provided by Franchisor or caused by Franchisor's negligence.
11. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee (or area developer) 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.

12. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[signature page follows]

This Addendum may be executed in counterparts. Electronic signatures have the same force as originals.

Dated: _____

AREA FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

GOLFCAVE FRANCHISING, LLC

By: _____

Name: _____

Title: _____

[signature page to Indiana Addendum to Development Agreement]

MARYLAND ADDENDUM TO AREA DEVELOPMENT AGREEMENT

The following provisions will supersede anything to the contrary in the Franchise Disclosure Document or Area Development Agreement and will apply to all area franchises offered and sold under the laws of the State of Maryland:

1. The laws of the State of Maryland may supersede the Area Development Agreement, including the areas of termination and renewal of the Area Franchise.
2. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within three years after the grant of the Area Franchise.
3. Section 18.13 of the Area Development Agreement requires venue to be limited to the state and county where the Franchisor's principal headquarters is located (currently, Union County, New Jersey). This provision is deleted from all Area Development Agreements for residents of the State of Maryland and/or area franchises to be operated in the State of Maryland.
4. Sections 18.17(1) through (7) (part of "Your Additional Representations and Acknowledgments") and the third paragraph of Section 19.01 ("Submission of Agreement") are deleted from all Area Development Agreements for residents of the State of Maryland and/or area franchises to be operated in the State of Maryland.
5. The Area Development Agreement is amended to the effect that, pursuant to COMAR 02.02.08.16L, 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.
6. The following language is added to the last sentence of the first paragraph of Section 18.05 of the Area Development Agreement ("Integration of Agreement; No Oral Agreements or Representations"): "provided, however, that the previous language is not intended to, nor will it, act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."
7. 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. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.
8. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee (or area developer) 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.
10. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[Signature page follows.]

This Addendum may be executed in counterparts. Electronic signatures have the same force as originals.

Dated: _____

AREA FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

GOLFCAVE FRANCHISING, LLC

By: _____

Name: _____

Title: _____

[Signature page to Maryland Addendum to Area Development Agreement]

MINNESOTA ADDENDUM TO AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Area Development Agreement, the following provisions will supersede and apply:

1. The following language will appear at the end of Section 18.13 of the Area Development Agreement ("Venue"):

"Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of Area Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Area Franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction."

2. No release language set forth in the Area Development Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.

3. Minnesota law provides area franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that area franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the area development agreement.

4. Franchisor will protect Area Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify Area Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

5. The second sentence of Section 11.02 of the Area Development Agreement ("Enforcement of Covenants Not To Compete") is amended to read as follows:

"Accordingly, you consent to the seeking of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete set forth in this Agreement."

6. The third and fourth sentences of Section 13.03 of the Area Development Agreement ("Injunction") is amended to read as follows:

"You therefore agree that if you engage in this non-compliance, or unauthorized and/or improper use of the System or Proprietary Marks, during or after the period of this Agreement, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law. You consent to the seeking of these temporary and permanent injunctions."

7. Notwithstanding anything to the contrary in the Area Development Agreement, the Franchisor will defer payment of initial franchise fees until the franchised business opens.

8. Any claims arising under Minnesota Statutes, Chapter 80C must be brought within three years after the cause of action accrues.

9. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee (or area developer) 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.

10. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[Signature page follows.]

This Addendum may be executed in counterparts. Electronic signatures have the same force as originals.

Dated: _____

AREA FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

GOLFCAVE FRANCHISING, LLC

By: _____

Name: _____

Title: _____

[signature page to Minnesota Addendum to Area Development Agreement]

NEW YORK ADDENDUM TO AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document or Area Development Agreement, the following provisions will supersede and apply to all area franchises offered and sold under the laws of the State of New York:

1. The second sentence of Section 11.02 ("Enforcement of Covenants Not To Compete") of the Area Development Agreement is amended to read as follows:

"Accordingly, you consent to the seeking of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete set forth in this Agreement."

2. The third and fourth sentences of Section 13.03 of the Area Development Agreement ("Injunction") are amended to read as follows:

"You therefore agree that if you engage in this non-compliance, or unauthorized and/or improper use of the System or Proprietary Marks, during or after the period of this Agreement, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law. You consent to the seeking of these temporary and permanent injunctions."

3. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee (or area developer) 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.

This Addendum may be executed in counterparts which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force as originals.

[signature page follows]

Dated: _____

AREA FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

GOLFCAVE FRANCHISING, LLC

By: _____

Name: _____

Title: _____

NORTH DAKOTA ADDENDUM TO AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Area Development Agreement, the following provisions will supersede and apply:

1. The laws of the State of North Dakota supersede any provisions of the Area Development Agreement or New York law if such provisions are in conflict with North Dakota law. The Area Development Agreement will be governed by North Dakota law, rather than New York law, as stated in Section 18.12 of the Area Development Agreement (“Governing Law”).
2. Any provision in the Area Development Agreement which designates jurisdiction or venue or requires the Area Franchisee to agree to jurisdiction or venue, in a forum outside of North Dakota, is deleted from Area Development Agreements issued in the State of North Dakota. The site of any arbitration will be agreeable to all parties.
3. No release language set forth in the Area Development Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of North Dakota.
4. Section 16.01 of the Area Development Agreement (“Other Obligations and Rights on Termination or Expiration”) may require franchisees to consent to termination or liquidated damages. This requirement is deleted from all Area Development Agreements used in the State of North Dakota.
5. Covenants restricting competition in the State of North Dakota, such as those found in Section 11.01 of the Area Development Agreement (“Covenants Not to Compete”), may be subject to Section 9-08-06 of the North Dakota Century Code. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.
6. Section 18.13 of the Area Development Agreement (“Venue”) requires that the franchisee consent to the jurisdiction of courts in the state and county where the Franchisor’s principal headquarters is located (currently, Union County, New Jersey). This requirement is deleted from all Area Development Agreements used in the State of North Dakota.
7. Section 18.14 of the Area Development Agreement (“Punitive Damages”) requires the franchisee to consent to a waiver of exemplary and punitive damages. This requirement is deleted from all Area Development Agreements used in the State of North Dakota.
8. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee (or area developer) 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.
9. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[Signature page follows.]

Dated: _____

AREA FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

GOLFCAVE FRANCHISING, LLC

By: _____

Name: _____

Title: _____

[signature page to North Dakota Addendum to Area Development Agreement]

RHODE ISLAND ADDENDUM TO AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Area Development Agreement, the following provisions will supersede and apply:

1. Any provision in the Area Development Agreement which designates the governing law as that of any state other than the State of Rhode Island is deleted from Area Development Agreements issued in the State of Rhode Island.
2. Section 19-28.1.-14 of the Rhode Island Franchise Investment Act, as amended by laws of 1993, provides that "a provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."
3. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee (or area developer) 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.

This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[signature page follows]

Dated: _____

AREA FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

GOLFCAVE FRANCHISING, LLC

By: _____

Name: _____

Title: _____

[signature page to Rhode Island Addendum to Area Development Agreement]

VIRGINIA ADDENDUM TO AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Area Development Agreement, the following provisions will supersede and apply:

1. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee (or area developer) 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.
2. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[Signature page follows.]

Dated: _____

AREA DEVELOPER:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

GOLFCAVE FRANCHISING USA, LLC

By: _____

Name: _____

Title: _____

WASHINGTON ADDENDUM TO AREA DEVELOPMENT AGREEMENT, ACKNOWLEDGMENT AND RELATED AGREEMENTS

Notwithstanding anything to the contrary set forth in the Area Development Agreement, the following provisions will supersede and apply:

1. If any of the provisions in the franchise disclosure document or area development agreement are inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Franchise Investment Protection Act, the provisions of the Act will prevail over the inconsistent provisions of the franchise disclosure document and area development agreement with regard to any area franchise sold in Washington.
2. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
3. A release or waiver of rights executed by an Area Franchisee will not include rights under the Washington Franchise Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the Area Development Agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, and rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
4. The state of Washington has a statute, RCW 19.100.180 which may supersede the Area Development Agreement in your relationship with the Franchisor including the areas of termination and renewal of your area franchise. There may also be court decisions which may supersede the Area Development Agreement in your relationship with the Franchisor including the areas of termination and renewal of your area franchise.
5. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
6. Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.
7. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise

agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

8. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.
9. The following provisions in the Area Development Agreement do not apply to Washington franchisees:
 - a. In Section 18.05, the first paragraph; provided, that the following statement's applicability is retained: "[N]othing in this Section 18.05 is intended to disclaim the representations we made in the Franchise Disclosure Document that we provided to you."
10. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee (or area developer) 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.
11. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[signature page follows]

Dated: _____

AREA FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

GOLFCAVE FRANCHISING, LLC

By: _____

Name: _____

Title: _____

[signature page to Washington Addendum to Area Development Agreement]

WISCONSIN ADDENDUM TO AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Area Development Agreement, the following provisions will supersede and apply:

1. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 will apply to and govern the provisions of the Area Development Agreement.
2. That Act's requirement, including the requirements that, in certain circumstances, an area franchisee receives ninety (90) days' notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, will supersede the requirements of Article 15 of the Area Development Agreement ("Default and Termination") to the extent they may be inconsistent with the Act's requirements.
3. 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 in connection with the franchise.
4. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[signature page follows]

Dated: _____

AREA FRANCHISEE:

If an entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

Dated: _____

GOLFCAVE FRANCHISING, LLC

By: _____

Name: _____

Title: _____

[Wisconsin Addendum to Area Development Agreement]

EXHIBIT A
DEVELOPMENT TERRITORY

DEVELOPMENT TERRITORY

The Development Territory as defined in Section 1.02 of the Area Development Agreement consists of the following:

If a map of the Development Territory is attached, check here: _____

Initials: Franchisor _____ Area Franchisee _____

EXHIBIT B

FIRST FRANCHISE AGREEMENT TO BE EXECUTED BY AREA FRANCHISEE

**[SEE FRANCHISE AGREEMENT AND ITS EXHIBITS
IN EXHIBIT A TO THIS FRANCHISE DISCLOSURE DOCUMENT]**

EXHIBIT C

CONFIDENTIALITY/NON-COMPETITION AGREEMENT

CONFIDENTIALITY/NON-COMPETITION AGREEMENT

NAME: _____

FRANCHISEE: _____

HOME ADDRESS: _____

HOME TELEPHONE: _____

RELATION TO AREA FRANCHISEE: _____

**(Owner, Shareholder, Officer, Director,
Employee, Etc.)**

_____ ("Area Franchisee") is an area franchisee of GolfCave Franchising, LLC ("Franchisor") pursuant to an Area Development Agreement entered into by Area Franchisee and Franchisor dated _____ (the "Area Development Agreement") regarding the establishment of a franchised GolfCave area business. I agree that, unless otherwise specified, all terms in this Agreement have those meanings ascribed to them in the Area Development Agreement.

I agree that during the term of my employment by, ownership participation in, association with or service to Area Franchisee, or at any time thereafter, I will not communicate, divulge or use for the benefit of any other person, persons, partnership, proprietorship, association, corporation or entity any confidential information, knowledge or know-how concerning the systems of operation, services, products, clients or practices of Area Franchisee and/or Franchisor which may be communicated to me ("Confidential Information"), and I will not divert any business to competitors of Area Franchisee and/or Franchisor.

Any and all information, knowledge, know-how, techniques and information which the entities mentioned above or their officers designate as confidential will be Confidential Information for the purposes of this Agreement, except information which I can demonstrate came to my attention before disclosure or which had become or becomes a part of the public domain through publication or communication by others (unless the publication or communication is in violation of a similar confidentiality agreement), but in no event through any act of mine.

I specifically understand that, without limitation, the following constitute Confidential Information of Franchisor: all information, knowledge, trade secrets or know-how utilized or embraced by the System and/or imparted to me by Franchisor and/or Area Franchisee (or any of their respective affiliates) which concerns Area Franchisee's or Franchisor's systems of operation, programs, services, products, customers, practices, materials, books, records, manuals, computer files, databases or software; all elements of the System; all programs, products, services, equipment, technologies, policies, standards, requirements, criteria and procedures that now or in the future are a part of the System; Franchisor's Manual (including Supplements to the Manual); all specifications, procedures, systems, techniques and activities employed by Franchisor or by Area Franchisee in the offer and sale of programs, products and/or services at or from the franchised area business; all pricing paradigms established by Franchisor or Area Franchisee; all of Franchisor's and/or Area Franchisee's sources (or prospective sources) of supply and all information pertaining to same (including wholesale pricing structures, the contents of sourcing agreements and the identity of suppliers); Franchisor's specifications, and Franchisee's final plans, for the construction, build out, design, renovation, décor, equipment, signage, furniture, fixtures and trade dress elements of Area Franchisee's business; the identify of, and all information relating to, the Computer and POS Systems' hardware and software utilized

by Franchisor and Area Franchisee; all information pertaining to Franchisor's and Area Franchisee's advertising, marketing, promotion and merchandising campaigns, activities, materials, specifications and procedures; all customer lists, data and records generated and/or otherwise maintained by the franchised area business; Franchisor's internet/web protocols, procedures and content (including electronic data, data files, users names and passwords); Franchisor's training and other instructional programs and materials; all elements of Franchisor's recommended staffing, staff training and staff certification policies and procedures; all communications between Franchisor and Area Franchisee; additions or improvements to, deletions from and modifications and variations of the components of the System and the other systems and methods of operations which Franchisor employs now or in the future; research, development and test programs for products, services and operations; and, all other information, knowledge and know-how which either Franchisor or its affiliates, now or in the future, designate as confidential.

I will at no time copy, duplicate, record or otherwise reproduce any of the Confidential Information or material containing it, in whole or in part, store them in a computer retrieval or data base, nor otherwise make them available to any unauthorized person. Upon the expiration or other termination for any reason of my employment, association, service or ownership participation, I agree to return to Franchisor or Area Franchisee, as the case may be, all Confidential Information or material containing it (in whole or in part) in my possession utilized during my employment, association, service or ownership participation.

I further agree that during the term of my employment/service/association/ownership participation, and under the circumstances set forth in the following paragraph, for a period of one year immediately following its expiration or termination for any reason, I will not, directly or indirectly, engage or participate in any other business which engages in any of the activities which the Area Development Agreement contemplates will be engaged in by Area Franchisee; or, which offers or sells any other service, product or component which now or in the future is part of the System, or any confusingly similar product or service. I agree that I am prohibited from engaging in any competitive business as a proprietor, partner, investor, shareholder, director, officer, employee, principal, agent, advisor, or consultant.

For a period of two years immediately following the later of (a) the expiration or termination of my employment/service/association/ownership participation or (b) the date on which I begin to comply with the terms and conditions of this Agreement, I am prohibited from engaging in any competitive business, if the other business is located at the GolfCave Store Location, within thirty (30) miles of the boundaries of Area Franchisee's GolfCave Development Territory, or within thirty (30) miles of (or within) the Location (as applicable) of any other franchised or company-owned GolfCave Business in operation or under construction (regardless of how established and operated).

It is the intention of these provisions to preclude not only direct competition but also all forms of indirect competition, such as consultation for competitive businesses, service as an independent contractor for competitive businesses, or any assistance or transmission of information of any kind which would be of any assistance to a competitor. Nothing herein will prevent me from owning for investment purposes up to an aggregate of 5% of the capital stock of any competitive business, so long as the competitive business is a publicly held corporation whose stock is listed and traded on a national or regional stock exchange, or through the National Association of Securities Dealers Automated Quotation System (NASDAQ), and so long as I or Area Franchisee do not control the company in question.

It is the intention of these provisions that any person or entity having any legal or beneficial interest in or traceable to, down or through me to be bound by the provisions of this covenant, including (without limitation) the following individuals if they have such an interest: my spouse, brother, brother-in-law, sister, sister-in-law, parent, parent-in-law, child, son-in-law or daughter-

in-law; any direct or indirect beneficiary; any partner (general or limited) or proprietor of mine; and, any other such related person or entity, regardless of how many levels or tiers there may be between any such described person or entity and me. I further agree that upon the expiration or termination of my term of employment/service/association, I will immediately refrain from any and all contacts with GolfCave customers, for any purpose whatsoever.

I acknowledge that violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor and Area Franchisee for which no adequate remedy at law will be available. Accordingly, I hereby consent to the entry of an injunction procured by Franchisor or Area Franchisee (or both) prohibiting any conduct by me in violation of the terms of those covenants not to compete and/or restrictions on the use of confidential information set forth in this agreement. I expressly agree that it may conclusively be presumed in any legal action that any violation of the terms of these covenants not to compete was accomplished by and through my unlawful utilization of Franchisor's Confidential Information. Further, I expressly agree that any claims I may have against Franchisor will not constitute a defense to Franchisor's enforcement of the covenants not to compete set forth in this Agreement. I further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by Franchisor in connection with the enforcement of those covenants not to compete set forth in this Agreement.

If all or any portion of this covenant not to use confidential information and not to compete is held unreasonable, void, vague or illegal by any court or agency having valid jurisdiction in an unappealed final decision to which Area Franchisee and/or Franchisor is a party, the court or agency will be empowered to revise and/or construe the covenant to fall within permissible legal limits, and should not invalidate the entire covenant. I expressly agree to be bound by any lesser covenant subsumed within the terms of this Agreement as if the resulting covenant were separately stated in and made a part of this Agreement.

I agree that this Agreement and all relations and disputes between myself on the one hand, and Area Franchisee or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, are to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of New York without recourse to New York (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of New York, and if the franchised area business is located outside of New York and the provision would be enforceable under the laws of the state in which the franchised area business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Agreement is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of New York or any other state, which would not otherwise apply.

I further agree that any litigation arising out of or related to this Agreement; any breach of this Agreement; and, all relations and any and all disputes between myself on the one hand, and Area Franchisee or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, will be instituted exclusively in a court of competent jurisdiction in the county and state where Franchisor's principal headquarters is then-located (which is currently Union County, New Jersey). I agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in Union County, New Jersey.

I hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

I understand that the rights and remedies of Franchisor under this Agreement are fully assignable and transferable and will inure to the benefit of its respective affiliates, successors and assigns. I further understand and agree that my and Franchisee's respective obligations for hereunder may not be assigned by me or Area Franchisee, without the prior written consent of Franchisor.

Witnessed By:

(Print Name)

Witness/Date

(Signature)

(Date)

EXHIBIT D

**GUARANTEE OF
GOLFCAVE FRANCHISING, LLC AREA DEVELOPMENT AGREEMENT**

**GUARANTEE OF
GOLFCAVE FRANCHISING, LLC AREA DEVELOPMENT AGREEMENT**

In consideration of the execution by Franchisor of the Area Development Agreement (the "Area Development Agreement") dated as of _____ between GolfCave Franchising, LLC ("Franchisor") and _____ ("Area Franchisee") and for other good and valuable consideration, each of the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby absolutely and unconditionally guarantee the punctual payment of all amounts and the performance of all of the covenants, terms, conditions, agreements and undertakings contained and set forth in said Area Development Agreement and in any other agreement(s) by and between Area Franchisee and Franchisor.

If more than one person has executed this Guarantee, the term "the undersigned", as used herein, shall refer to each such person, and the liability of each of the undersigned hereunder shall be joint and several and primary as sureties.

The undersigned, individually and jointly, hereby agree to be personally bound by each and every covenant, term, condition, agreement and undertaking (including the noncompetition, confidentiality and transfer requirements) contained and set forth in said Area Development Agreement and any other agreement(s) by and between Area Franchisee and Franchisor, and agree that this Guarantee shall be construed as though the undersigned and each of them executed agreement(s) containing the identical terms and conditions of the Area Development Agreement and any other agreement(s) by and between Area Franchisee and Franchisor.

The undersigned hereby agree, furthermore, that without the consent of or notice to any of the undersigned and without affecting any of the obligations of the undersigned hereunder: (a) any term, covenant or condition of the Area Development Agreement may be amended, compromised, released or otherwise altered by Franchisor and Area Franchisee, and the undersigned do guarantee and promise to perform all the obligations of Area Franchisee under the Agreement as so amended, compromised, released or altered; (b) any guarantor of or party to the Area Development Agreement may be released, substituted or added; (c) any right or remedy under the Agreement, this Guarantee or any other instrument or agreement between Franchisor and Area Franchisee may be exercised, not exercised, impaired, modified, limited, destroyed or suspended; and, (d) Franchisor or any other person may deal in any manner with Area Franchisee, any of the undersigned, any party to the Area Development Agreement or any other person.

Should Area Franchisee be in breach or default under the Area Development Agreement or any other agreement(s) by and between Area Franchisee and Franchisor, Franchisor may proceed directly against any or each of the undersigned without first proceeding against Area Franchisee and without proceeding against or naming in such suit any other Area Franchisee, signatory to the Area Development Agreement or any others of the undersigned. The undersigned agree to bear any and all Franchisor's costs of collection hereunder, including all court costs and expenses, attorneys' fees, costs of or resulting from delays; travel, food, lodging and other living expenses necessitated by the need or desire to appear before courts or tribunals (including arbitration tribunals), and all other costs of collection.

Notice to or demand upon Area Franchisee or any of the undersigned shall be deemed notice to or demand upon Area Franchisee and all of the undersigned, and no notice or demand need be made to or upon any or all of the undersigned. The cessation of or release from liability of Area Franchisee or any of the undersigned shall not relieve any other Guarantors from liability hereunder, under the Area Development Agreement, or under any other agreement(s) between Franchisor and Area Franchisee, except to the extent that the breach or default has been remedied or moneys owed have been paid.

Any waiver, extension of time or other indulgence granted by Franchisor or its agents, successors or assigns, with respect to the Area Development Agreement or any other agreement(s) by

and between Area Franchisee and Franchisor, shall in no way modify or amend this Guarantee, which shall be continuing, absolute, unconditional and irrevocable.

It is understood and agreed by the undersigned that the provisions, covenants and conditions of this Guarantee shall inure to the benefit of the Franchisor, its successors and assigns. This Guarantee may be assigned by Franchisor voluntarily or by operation of law without reducing or modifying the liability of the undersigned hereunder.

This Guarantee is to be exclusively construed in accordance with and/or governed by the law of the State of New York without recourse to New York (or any other) choice of law or conflicts of law principles. If, however, any provision of this Guarantee would not be enforceable under the laws of New York, and if the area business franchised under the Area Development Agreement is located outside of New York and the provision would be enforceable under the laws of the state in which the franchised business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Guarantee is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of New York or any other state, which would not otherwise apply by its terms jurisdictionally or otherwise but for the within designation of governing law or which, by virtue of its denominated geographic or subject matter scope, would not by its terms otherwise apply.

Any litigation arising out of or related to this Guarantee will be instituted exclusively in a court of competent jurisdiction in the state and county where Franchisor's principal headquarters is then located (currently, Union County, New Jersey). The undersigned agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in the state and county where Franchisor's principal headquarters is then located (currently, Union County, New Jersey). The undersigned hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

Should any one or more provisions of this Guarantee be determined to be illegal or unenforceable, all other provisions shall nevertheless be effective.

[signature page follows]

IN WITNESS WHEREOF, each of the undersigned has executed this Guarantee effective as of the date of the Area Development Agreement.

Attest:

By: _____

Signature

Printed Name

Address

Attest:

By: _____

Signature

Printed Name

Address

Attest:

By: _____

Signature

Printed Name

Address

[signature page to Guarantee of GolfCave Franchising, LLC Area Development Agreement]

EXHIBIT E

LISTING OF OWNERS OF AREA FRANCHISEE AND OWNERSHIP INTERESTS

Effective Date: This Exhibit E is current and complete as of _____ [DATE].

1. **Form of Area Franchisee Owner**. (Please select either (a) or (b) below).

(a) **Individual Proprietorship**. List individual(s):

Name:

Name:

Name:

Name:

(b) **Corporation, Limited Liability Company, or Partnership**. (CIRCLE ONE) You were incorporated or formed on _____, under the laws of the State of _____. You have not conducted business under any name other than your corporate, limited liability company, or partnership name and _____.

2. **Owners, Directors/Officers**. The following list includes the full name and address of each person who is one of your owners, shareholders, members, partners, directors, officers or an owner of one of your owners, and fully describes the nature of each of their respective ownership interest (attach additional pages, if necessary).

Name: _____ Address: _____ _____ Type of Interest: _____ Number Units Owned: _____ Number Entitled to Vote: _____ % of Total Units of Area Franchisee: _____ Title (if officer or director): _____	Name: _____ Address: _____ _____ Type of Interest: _____ Number Units Owned: _____ Number Entitled to Vote: _____ % of Total Units of Area Franchisee: _____ Title (if officer or director): _____
Name: _____ Address: _____ _____ Type of Interest: _____ Number Units Owned: _____ Number Entitled to Vote: _____ % of Total Units of Area Franchisee: _____ Title (if officer or director): _____	Name: _____ Address: _____ _____ Type of Interest: _____ Number Units Owned: _____ Number Entitled to Vote: _____ % of Total Units of Area Franchisee: _____ Title (if officer or director): _____

3. **Name and Address of Person to Receive Notice for Area Franchisee.** (If different than what is stated in the Area Development Agreement)

Name: _____

Postal Address: _____

E-mail Address: _____

4. **Identification of the Managing Owner and the Area Manager.** The shareholder, member, partner or other owner of equity in Area Franchisee who is responsible for overseeing and supervising the operation of the franchised GolfCave Store or overseeing its Area Manager as _____ of _____ the _____ Effective _____ Date _____ is _____ (must be one of the principal owners listed in Section 2 above). You may not change Managing Owner without our prior written approval.

5. The "Area Manager" as _____ of _____ the _____ Effective _____ Date _____ is _____ . You may not change Area Manager without our prior written approval.

6. **Update of Exhibit E.** You and your owners agree to update, sign and deliver to us from time to time a revised Exhibit E to reflect all future permitted changes in this information.

FRANCHISEE:

[Print Name of Area Franchisee Entity]

By: _____

Name: _____

Title: _____

RECEIPT ACKNOWLEDGED:

FRANCHISOR:

GolfCave Franchising, LLC

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT C TO FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

GOLFCAVE FRANCHISING, LLC
(A Limited Liability Company)

FINANCIAL STATEMENTS

**YEAR ENDED DECEMBER 31, 2023 AND FOR THE PERIOD FROM
MAY 31, 2022 (INCEPTION) THROUGH DECEMBER 31, 2022**

GOLFCAVE FRANCHISING, LLC
(A Limited Liability Company)
YEAR ENDED DECEMBER 31, 2023 AND FOR THE PERIOD FROM
MAY 31, 2022 (INCEPTION) THROUGH DECEMBER 31, 2022

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Statements of cash flows	5
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INDEPENDENT AUDITOR'S REPORT

To the Member
GolfCave Franchising, LLC

Opinion

We have audited the accompanying financial statements of GolfCave Franchising, LLC (a limited liability company), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations and member's equity (deficit) and cash flows for the year ended December 31, 2023 and for the period from May 31, 2022 (inception) through December 31, 2022, and the related notes to the financial statements.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position of GolfCave Franchising, LLC as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the year ended December 31, 2023 and for the period from May 31, 2022 (inception) through December 31, 2022, 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. 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 GolfCave Franchising, LLC 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

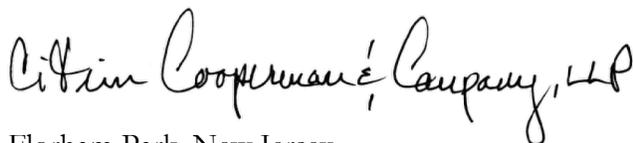
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is 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 financial statements.

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 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 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 GolfCave Franchising, LLC'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about GolfCave Franchising, LLC'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.



Florham Park, New Jersey

April 12, 2024

GOLFCAVE FRANCHISING, LLC
(A Limited Liability Company)
BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 23,382	\$ 49,702
Accounts receivable	<u>360</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 23,742</u>	<u>\$ 49,702</u>
<u>LIABILITIES AND MEMBER'S EQUITY (DEFICIT)</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 4,335	\$ -
Deferred revenue, current	<u>23,961</u>	<u>-</u>
Total current liabilities	28,296	-
Long-term liability:		
Deferred revenue, net of current	<u>44,263</u>	<u>-</u>
Total liabilities	72,559	-
Commitments and contingencies (Note 5 and 6)		
Member's equity (deficit)	<u>(48,817)</u>	<u>49,702</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY (DEFICIT)	<u>\$ 23,742</u>	<u>\$ 49,702</u>

See accompanying notes to financial statement.

GOLFCAVE FRANCHISING, LLC
(A Limited Liability Company)
STATEMENTS OF OPERATIONS AND MEMBER'S EQUITY (DEFICIT)
FOR THE YEAR ENDED DECEMBER 31, 2023 AND FOR THE PERIOD FROM
MAY 31, 2022 (INCEPTION) THROUGH DECEMBER 31, 2022

	<u>2023</u>	<u>2022</u>
Revenues:		
Franchise fees	\$ 1,776	\$ -
System brand and technology fund fees	36,000	-
Royalties	<u>477</u>	<u>-</u>
Total revenues	38,253	-
Selling, general and administrative expenses	<u>133,498</u>	<u>298</u>
Net loss	(95,245)	(298)
Member's equity - beginning	49,702	-
Member's contributions	71,726	50,000
Member's distributions	<u>(75,000)</u>	<u>-</u>
MEMBER'S EQUITY (DEFICIT) - ENDING	\$ <u>(48,817)</u>	\$ <u>49,702</u>

See accompanying notes to financial statement.

GOLFCAVE FRANCHISING, LLC
(A Limited Liability Company)
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023 AND FOR THE PERIOD FROM
MAY 31, 2022 (INCEPTION) THROUGH DECEMBER 31, 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Net loss	\$ (95,245)	\$ (298)
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in assets and liabilities:		
Accounts receivable	(360)	-
Accounts payable and accrued expenses	4,335	-
Deferred revenue	<u>68,224</u>	<u>-</u>
Net cash used in operating activities	<u>(23,046)</u>	<u>(298)</u>
Cash flows from financing activities:		
Member's contributions	71,726	50,000
Member's distributions	<u>(75,000)</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>(3,274)</u>	<u>50,000</u>
Net increase (decrease) in cash	(26,320)	49,702
Cash - beginning	<u>49,702</u>	<u>-</u>
CASH - ENDING	<u>\$ 23,382</u>	<u>\$ 49,702</u>

See accompanying notes to financial statement.

GOLFCAVE FRANCHISING, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

GolfCave Franchising, LLC (the "Company"), a wholly-owned subsidiary of GolfCave Franchising Holdings, LLC ("Parent"), was formed on May 31, 2022, as a limited liability company. The Company was established to offer and sell franchises for businesses known as GolfCave facilities in the United State of America, pursuant to a license agreement between the Company and GolfCave IP, LLC (the "Licensor"), an entity related to the Company by common control. Pursuant to the Company's standard franchise agreement, franchisees will operate a business under the "GolfCave" name and system that offers an indoor golf facility including a number of specially designed and equipped "Caves," providing golfers of all skill levels the ability to play or practice on a golf simulator in the privacy of their own "Cave."

As a limited liability company, the member is not liable for the debts, obligations, or liabilities of the Company, whether arising in contract, tort or otherwise, unless the member has signed a specific guarantee.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying balance sheet is presented in U.S. dollars and has been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that directly affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Revenue recognition

The Company derives its revenues from franchise fees, royalties, and system brand and technology fees.

Franchise fees and royalties

Contract consideration from franchising primarily consists of initial franchise fees and royalties. The Company collects upfront fees ("initial franchise fee") for the grant of such rights. The initial franchise fee is nonrefundable and collected when the initial franchise agreement signed by the franchisee and Company. Sales-based royalties are payable monthly.

GOLFCAVE FRANCHISING, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Franchise fees and royalties (continued)

The Company's primary performance obligations under the franchise agreement include the granting of certain rights to access the Company's intellectual property in addition to a variety of activities relating to the opening of a franchise unit. Those obligations would include site selection, training and other such activities commonly referred to collectively as "pre-opening activities." Pre-opening activities consistent with those under Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2021-02, *Franchisors - Revenue from Contracts with Customers* (Subtopic 952-606) ("ASU 2021-02"), are recognized as a single performance obligation. For all other pre-opening activities, if any, the Company will determine if a certain portion of those pre-opening activities provided are not brand specific and provides the franchisee with relevant general business information that is separate from the operation of a company-branded franchise unit. The portion of pre-opening activities, if any, that are not brand specific are deemed to be distinct as they provide a benefit to the franchisee and are not highly interrelated to the use of the Company's intellectual property and therefore accounted for as a separate performance obligation. All other pre-opening activities are highly interrelated to the use of the Company's intellectual property and therefore accounted for as a component of a single performance obligation which is satisfied along with granting of certain rights to use the Company's intellectual property over the term of each franchise agreement.

The Company estimates the stand-alone selling price of pre-opening activities using an adjusted market assessment approach. The Company first allocates the initial franchise fees and the fixed consideration under the franchise agreement to the stand-alone selling price of the pre-opening activities and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to pre-opening activities, other than those included under ASU 2021-02, which are not brand specific, is recognized when those performance obligations are satisfied. Consideration allocated to pre-opening activities included under ASU 2021-02 is recognized when those performance obligations are satisfied.

Initial and renewal franchise fees allocated to the right to access the Company's intellectual property are recognized as revenue on a straight-line basis over the term of the respective franchise agreement.

Royalties are earned as a percentage of franchisee gross sales ("sales-based royalties") over the term of the franchise agreement, as defined in each respective franchise agreement. Franchise royalties, which represent sales-based royalties that are related entirely to the use of the Company's intellectual property are recognized as franchisee sales occur and the royalty is deemed collectible.

GOLFCAVE FRANCHISING, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

System brand and technology fund

The Company maintains a system brand and technology fund ("brand fund") established to collect and administer funds contributed for use in advertising and promotional programs for franchise units. Brand fund fees are collected from franchisees and affiliate-owned locations based on a fixed fee, or percentage of franchisee gross revenues, as defined in the franchise agreement. The Company has determined that it acts as a principal in the collection and administration of the advertising fund and therefore recognizes the revenues and expenses related to the advertising fund on a gross basis. The Company has determined that the right to access its intellectual property and administration of the advertising fund are highly interrelated and therefore are accounted for as a single performance obligation. As a result, revenues from the advertising fund relate to the right to access the Company's intellectual property, which are recognized as franchisee sales occur. When brand fund fees exceed the related brand fund expenses in a reporting period, advertising costs are accrued up to the amount of brand fund revenues recognized.

The Company charged its franchisees and affiliate-owned locations a brand fund fee of \$1,000 per month for the year ended December 31, 2023. The fee may be subject to an increase up to the greater of \$1,600 per month, or 3% of the locations' prior month gross revenues, as determined by the Company. Pursuant to the standard franchise agreement, the Company is not required to segregate and restrict monies on behalf of the brand fund. During the year ended December 31, 2023 and for the period from May 31, 2022 (inception) through December 31, 2022, the Company collected \$36,000 and \$-, respectively. All of the funds earned and collected during the year ended December 31, 2023 and for the period from May 31, 2022 (inception) through December 31, 2022, were expended in the year earned.

Incremental costs of obtaining a contract

The Company capitalizes direct and incremental costs, principally consisting of commissions, associated with the sale of franchises, and are amortized over the term of the franchise agreement.

Recently adopted accounting standard

In June 2016, FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326)* ("ASC 326"), along with subsequently issued related ASUs, which requires financial assets (or groups of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected, among other provisions. ASC 326 eliminates the probable initial threshold for recognition of credit losses for financial assets recorded at amortized cost, which could result in earlier recognition of credit losses. It utilizes a lifetime expected credit loss measurement model for the recognition of credit losses at the time the financial asset is originated or acquired.

GOLFCAVE FRANCHISING, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently adopted accounting standard (continued)

The Company's financial instruments include cash and accounts receivable. The expected credit losses are adjusted each period for changes in expected lifetime credit losses.

The Company adopted ASC 326 using the modified retrospective method at January 1, 2023, and it did not have a material impact on the financial statements.

Accounts receivable

Accounts receivable consist primarily of royalties due from franchisees. Accounts receivable are stated at the amount the Company expects to collect. The Company maintains allowances for credit losses and changes in the allowance are included in "Selling, general and administrative expenses" in the accompanying statements of operations and member's equity (deficit). The Company assesses collectibility by reviewing accounts receivable on a collective basis where similar risk characteristics exist. In determining the amount of the allowance for doubtful accounts, management considers historical collectibility and make judgments about the creditworthiness of the pool of customers based on credit evaluations. Current market conditions and reasonable and supportable forecasts of future economic conditions adjust the historical losses to determine the appropriate allowance for doubtful accounts. Uncollectible accounts are written off when all collection efforts have been exhausted.

Under the prior accounting rules, the Company evaluated the following factors when determining the collectibility of specific customer accounts: franchisee creditworthiness, past transaction history with the franchisee, current economic industry trends, and changes in franchisee payment terms.

Management has determined that as of December 31, 2023 and 2022, all of its accounts receivable were fully collectible.

Advertising costs

Advertising costs are expensed as incurred or as committed to be spent as part of the brand fund. Such costs amounted to \$37,803 and \$- for the year ended December 31, 2023 and for the period from May 31, 2022 (inception) through December 31, 2022, respectively and are included in "Selling, general and administrative expenses" in the accompanying statements of operations and member's equity (deficit).

GOLFCAVE FRANCHISING, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income taxes

As a single member limited liability company, the Company is treated as a disregarded for federal and substantially all state income tax purposes. Accordingly, no provision has been made for income taxes in the accompanying financial statements, since all items of income or loss are required to be reported on the income tax returns of the member, who is responsible for any taxes thereon.

The Company recognizes and measures its unrecognized tax benefits in accordance with FASB Accounting Standards Codification 740, *Income Taxes*. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances and information, including the technical merits of those positions, available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change. Management has evaluated the tax positions that the Company expects to take and has concluded that there are no uncertain tax positions that require any adjustments to the financial statements.

Franchise outlets

The following data reflects the status of the Company's franchise outlets as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Franchises sold during the year	2	-
Franchises purchased during the year	-	-
Franchised outlets in operation during the year	-	-
Affiliate-owned outlets operating during the year	3	3

Franchises sold during the year represent franchise agreements signed, but outlet not opened as of December 31, 2023.

Subsequent events

The Company has evaluated subsequent events through April 12, 2024, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

NOTE 3. REVENUES AND RELATED CONTRACT BALANCES

Disaggregated revenues

The Company derives its revenues from affiliate-owned and franchisee-owned GolfCave store fronts located throughout the Northeastern region of the United States. The economic risks of the Company's revenues are dependent on the strength of the economy in the United States and its ability to collect on its contracts. The Company disaggregates revenue from contracts with customers by the timing of revenue recognition by type of revenues, as it believes this best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

GOLFCAVE FRANCHISING, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 3. REVENUES AND RELATED CONTRACT BALANCES (CONTINUED)

Disaggregated revenues (continued)

Revenues by timing of recognition were as follows:

	<u>2023</u>	<u>2022</u>
<i>Point in time:</i>		
System brand and technology fund fees	\$ 36,000	\$ -
Royalties	<u>477</u>	<u>-</u>
Total point in time	36,477	-
<i>Over time:</i>		
Franchise fees	<u>1,776</u>	<u>-</u>
Total revenues	<u>\$ 38,253</u>	<u>\$ -</u>

Contract balances

Contract liabilities are comprised of unamortized initial and renewal franchise fees received from franchisees, which are presented as "Deferred revenue" in the accompanying balance sheets. A summary of significant changes in deferred revenues as of December 31, 2023 and 2022, is as follows:

	<u>2023</u>	<u>2022</u>
Deferred revenues - beginning of period	\$ -	\$ -
Additions for initial/transfer franchise fees received	70,000	-
Franchise fee refunds	-	-
Revenue recognized during the period	<u>(1,776)</u>	<u>-</u>
Deferred revenues - end of period	<u>\$ 68,224</u>	<u>\$ -</u>

At December 31, 2023, deferred revenues are expected to be recognized as revenue over the remaining terms of the associated franchise agreements as follows:

<u>Year ending December 31:</u>	<u>Amount</u>
2024	\$ 23,961
2025	4,627
2026	4,627
2027	4,627
2028	4,627
Thereafter	<u>25,755</u>
Total	<u>\$ 68,224</u>

GOLFCAVE FRANCHISING, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 4. MEMBER'S DEFICIT

The Company has sustained net losses and negative cash flows from operations, and, as a result, has an accumulated member's deficit of \$48,817, as of December 31, 2023. Since inception, the Company's operations have been funded through capital contributions.

As of the date these financial statements were available to be issued, the Company continues to sell franchises in the normal course of business and royalties are expected to increase as these new units open. In addition, the members of the Parent have advised management of their intent to continue to provide financial assistance as needed to meet its working capital needs. Management understands that the members of the Parent have the intent and ability to provide the funds needed, if any, to continue the operations of the Company for at least one year from the date these financial statements were available to be issued.

NOTE 5. CONCENTRATION OF CREDIT RISK

Cash

Financial instruments that potentially expose the Company to concentration of credit risk consist primarily of cash. The Company's cash is placed with a major financial institution. Accordingly, management believes that the Company's exposure to credit risk with regard to cash is minimal.

Accounts receivable and revenue

As of December 31, 2023, one franchisee accounted for 100% of the Company's accounts receivable and royalties, and for the year ended December 31, 2023, two franchisees accounted for 100% of the Company's franchise fee revenue.

NOTE 6. LICENSE AGREEMENT

Effective May 31, 2022, the Company entered into a 20-year cross-license agreement with the Licensor, which granted the Company a limited, non-exclusive, non-assignable right and license for the use of certain trademarks, service marks, trade names, trade dress, designs and logos, and all goodwill symbolized thereby (collectively, the "Marks"). The Marks have been used in connection with the goods and services offered by the GolfCave franchise system and businesses operated thereunder. The Company has the right to renew the license agreement for additional consecutive terms of 20 years each.

GOLFCAVE FRANCHISING, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 7. RELATED-PARTY TRANSACTIONS

The Company occasionally receives funds from and advances funds to the Parent in the ordinary course of business.

The Company receives management and administrative services from GolfCave I, LLC, a commonly-owned affiliate. The Company has no obligation to reimburse the affiliate for these costs. The results of operations and financial position of the Company could be significantly different from those that would have been obtained if the entities were autonomous.

Affiliate-owned franchise locations

The Company recognized system brand and technology fund fees from affiliate-owned locations for the year ended December 31, 2023 and for the period from May 31, 2022 (inception) through December 31, 2022, amounting to \$36,000 and \$-, respectively.

EXHIBIT D TO FRANCHISE DISCLOSURE DOCUMENT
STATE FRANCHISE ADMINISTRATORS

STATE FRANCHISE ADMINISTRATORS

CALIFORNIA

California Commissioner of the
Department of Financial
Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344
(866) 275-2677

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, Hawaii 96813

ILLINOIS

Chief – Franchise Bureau
Office of Attorney General
State of Illinois
500 South Second Street
Springfield, Illinois 62706

INDIANA

Franchise Section
Indiana Securities Commission
302 West Washington Street, Room E-111
Indianapolis, Indiana 46204

MARYLAND

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2020

MICHIGAN

Consumer Protection Division
Antitrust and Franchise Unit
Michigan Department of Attorney General
670 Williams Building
525 W. Ottawa Street
Lansing, Michigan 48913

MINNESOTA

Minnesota Department of Commerce
Securities-Franchise Registration
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198

NEW YORK

New York State Department of Law
Investor Protection Bureau
28 Liberty St. 21st Fl.
New York, New York 10005
212-416-8236

NORTH DAKOTA

North Dakota Securities Department
600 East Boulevard Avenue,
State Capitol, 14th Floor, Dept 414
Bismarck, North Dakota 58505-0510
701-328-4712

RHODE ISLAND

Division of Securities
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, Rhode Island 02920

SOUTH DAKOTA

Department of Labor and Regulation
Division of Insurance
Securities Regulation
124 S Euclid, Suite 104
Pierre, South Dakota 57501

VIRGINIA

State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
804-371-9051

WASHINGTON

Securities Division
Department of Financial Institutions
P.O. Box ~~412009033~~
Olympia, WA 9850~~47-12009033~~
~~360-902-8760~~

WISCONSIN

Securities and Franchise Registration
Wisconsin Securities Commission
201 W. Washington Avenue – Third Fl.
Madison, Wisconsin 53703

EXHIBIT E TO FRANCHISE DISCLOSURE DOCUMENT
AGENTS FOR SERVICE OF PROCESS

EXHIBIT E
AGENTS FOR SERVICE OF PROCESS

If a state is not listed below, GolfCave Franchising LLC has not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed below in which GolfCave Franchising LLC has appointed an agent for service of process.

There may also be additional agents appointed in some of the states listed below.

CALIFORNIA

California Commissioner of the
Department of Financial
Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344

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, Hawaii 96813

ILLINOIS

Attorney General of the State of Illinois
500 South Second Street
Springfield, Illinois 62706

INDIANA

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204

MARYLAND

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2020

MICHIGAN

Michigan Department of Commerce
Corporations and Securities Bureau
6586 Mercantile Way
Lansing, Michigan 48909

MINNESOTA

Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198

NEW YORK

Secretary of State of the State of New York
99 Washington Avenue
Albany, New York 12231

NORTH DAKOTA

Securities Commissioner, State of North
Dakota Securities Department
600 East Boulevard Avenue
State Capitol, 14th Floor, Dept 414
Bismarck, North Dakota 58505-0510
701-328-4712

RHODE ISLAND

Director of Department of Business
Regulation
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, Rhode Island 02920

SOUTH DAKOTA

Department of Labor and Regulation
Division of Insurance
Securities Regulation
124 S Euclid, Suite 104
Pierre, South Dakota 57501

VIRGINIA

Clerk, Virginia State Corporation Commission
1300 East Main Street
Richmond, Virginia 23219
804-371-9733

WASHINGTON

Director of Financial Institutions
Department of Financial Institutions
150 Israel Rd. SW
Tumwater, WA 98501

WISCONSIN

Administrator, Division of Securities
Department of Financial Institutions
201 W. Washington Avenue – Third Fl.
Madison, Wisconsin 53703

EXHIBIT F TO FRANCHISE DISCLOSURE DOCUMENT

STATE ADDENDA TO DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

OUR WEBSITES HAVE NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of California:

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

The State of California has codified regulations specific to the food service industry which may be applicable to you. You may refer to California Plan Check Guide for Retail Food Facilities at <http://www.cdph.ca.gov/Programs/CID/DCDC/Pages/Immunization/IDDC/Pages/Plan-Check-Guide-for-Retail-Food-Facilities-2.aspx>. For further requirements, please see the California Retail Food Code at [http://www.cdph.ca.gov/services/Documents/fdbRFC.pdf](http://www.cdph.ca.gov/Programs/CID/DCDC/Pages/Immunization/IDDC/Pages/Plan-Check-Guide-for-Retail-Food-Facilities-2.aspx).

If the franchised outlet sells alcoholic beverages, the franchisee must comply with the requirements set forth in the Alcoholic Beverage Control Act and the California Code of Regulations, Title 4 for the sale of alcoholic beverages.

ITEM 6 OTHER FEES

1. The highest interest rate permitted under California law is 10%.

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

The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the Cartwright Act. As long as this represents the law of the State of California, we will not interpret the Franchise Agreement as permitting or requiring maximum price limits.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

1. California Business and Professions Code sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.
2. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq).
3. The Franchise Agreement contains a provision requiring application of the laws of New York. This provision may not be enforceable under California law.

4. The Franchise Agreement requires venue to be limited to Union County, New Jersey. This provision may not be enforceable under California law.
5. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law. The franchisor will not enforce in California the prohibition on franchisee employing or soliciting for employment any current or former employee of franchisor or its affiliates (also known as a no-poach/non-solicitation provision) in Section 12.02 of the Franchise Agreement that is disclosed in Item 17, rows q and r.
6. You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).
7. California Corporations Code, Section 31125 requires us to give you a disclosure document, approved by the Department of Financial Protection and Innovation before we ask you to consider a material modification of your franchise agreement.
8. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.
9. California Corporations Code, Section 31119, states that it is unlawful to sell any franchise in California that is subject to registration under this law without first providing to the prospective franchisee, at least 14 days prior to the execution by the prospective franchisee of any binding franchise or other agreement, or at least 14 days prior to the receipt of any consideration, whichever occurs first, a copy of the offering circular, together with a copy of all proposed agreements relating to the sale of the franchise.
10. Neither the franchisor nor any person or franchise broker disclosed in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a *et seq.*, suspending or expelling such persons from membership in such association or exchange.
11. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

1. The financial performance representations do not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your GolfCave Business. Franchisees or former franchisees (to the extent there are any), listed in the franchise disclosure document, may be one source of this information.

OTHER

1. The Franchise Agreement and Area Development Agreement contain a provision requiring you to waive your right to punitive or exemplary damages against the franchisor or any of its representatives, limiting your recovery to actual damages. Under California Corporations Code section 31512, these provisions are not enforceable in California for any claims you may have under the California Franchise Investment Law.
2. 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 in connection with the franchise.

HAWAII ADDENDUM TO DISCLOSURE DOCUMENT

- A. This proposed registration is exempt from the registration requirements of the states of Connecticut, Florida, Iowa, Kentucky, Maine, Nebraska, North Carolina, Ohio, Oklahoma, South Carolina, Texas and Utah (or, if an exemption notice filing is required to perfect the exemption in any of those states prior to offer or sale of a franchise in such state, then such exemption notice filing will be completed prior to the offer or sale of a franchise in such state).
- B. This proposed registration is or will be shortly on file in the states of ~~States of~~ Illinois, Indiana, Maryland, Michigan, Minnesota, New York, Rhode Island, Virginia, and Wisconsin.
- C. No states have refused, by order or otherwise, to register these franchises.
- D. No states have revoked or suspended the right to offer these franchises.
- E. The proposed registration of these franchises has not been withdrawn in any state.
- F. No release language set forth in the Franchise Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Hawaii.
- G. 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 in connection with the franchise.

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

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

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

ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

Illinois law governs the Franchise Agreement(s).

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

SPECIAL RISKS TO CONSIDER ABOUT *THIS* FRANCHISE

The “*Special* Risks to Consider About This Franchise” Cover Page is amended to include the following risk factor:

3. **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 5 FEES

Franchisor will defer collecting all Initial Franchise Fees payable by franchisees until Franchisor satisfies its pre-opening obligations under the Franchise Agreement and the franchisee has commenced business operations. In addition, Franchisor shall defer collecting all Development Fees payable by area developers until Franchisor has fulfilled its pre-opening obligations and the first franchise under the Area Development Agreement commences business operations. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

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

In Item 11, paragraph “(1)” under the subheading Franchise Agreement is deleted.

OTHER

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 in connection with the franchise.

INDIANA ADDENDUM TO DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Indiana:

1. The Franchise Agreement will be governed by Indiana law, rather than New York law, as stated in Section 30.03 of the Franchise Agreement ("Governing Law").
2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as a material breach of the franchise agreement, shall supersede the provisions of Article 17 of the Franchise Agreement ("Default and Termination") in the State of Indiana to the extent they may be inconsistent with such prohibition.
3. No release language set forth in the Franchise Agreement shall relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.
4. Notwithstanding the terms of Section 8.10 of the Franchise Agreement ("Indemnification"), Franchisee will not be required to indemnify Franchisor and the other Indemnitees for any liability caused by Franchisee's proper reliance on or use of procedures or materials provided by Franchisor or caused by Franchisor's negligence.
5. Section 12.04 of the Franchise Agreement ("Enforcement of Covenants Not to Compete") and Article VIII of the Software License Agreement ("Injunction") shall not apply to franchises offered and sold in the State of Indiana.
6. Section 21.03 of the Franchise Agreement ("Our Withholding of Consent – Your Exclusive Remedy") shall not apply to franchises offered and sold in the State of Indiana.
7. Section 16.01 of the Software License Agreement ("Governing Law") shall not relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana, and the laws of the State of Indiana supersede such provision or New York law if such provision is in conflict with Indiana law.
8. The third sentence of Article 14 of the Software License Agreement ("Limitation of Liability") shall not apply to franchises offered and sold in the State of Indiana.
9. Section 30.05(B) of the Franchise Agreement (regarding waiver of punitive and certain other damages) is deleted from all Franchise Agreements used in the State of Indiana.
10. 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 in connection with the franchise.

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

The following provisions will supersede anything to the contrary in the Franchise Disclosure Document or Franchise Agreement and will apply to all franchises offered and sold under the laws of the State of Maryland:

ITEM 5 INITIAL FEES

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. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

ITEM 12 TERRITORY

The following sentence is added at the end of the paragraph in Item 12 concerning our reservation of territorial rights which begins "Under the terms of the Franchise Agreement, you waive and release any claims, demands or damages arising from or related to any of the activities described above":

"These waivers and releases are not intended to nor will they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law. These waivers and releases will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law."

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

1. 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.
2. The laws of the State of Maryland may supersede the Franchise Agreement, including the areas of termination and renewal of the Franchise.
3. A franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within three years after the grant of the Franchise.
4. The provision of the Franchise Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

OTHER

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 in connection with the franchise.

**ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO
THE MICHIGAN FRANCHISE INVESTMENT LAW**

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a Franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the Franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising of other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of Franchisor's intent not to renew the franchise.
- (e) A provision that permits the Franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a Franchisor to refuse to permit a transfer or ownership of a franchise, except for good cause. This subdivision does not prevent a Franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to
 - (i) The failure of the proposed transferee to meet the Franchisor's then current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of the Franchisor or subfranchisor.
 - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay an sums owing to the Franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the Franchisor items that are not uniquely identified with the Franchisor. This subdivision does not prohibit a provision that grants to a Franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the Franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the Franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual service.

(j) 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 in connection with the franchise.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE ATTORNEY GENERAL.

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN.: FRANCHISE, 670 LAW BLDG., LANSING, MICHIGAN 48913, (517) 373-7117.

MINNESOTA ADDENDUM TO THE DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Disclosure Document or Franchise Agreement, the following provisions will supersede and apply:

ITEM 5 INITIAL FEES

Based upon the franchisor's financial condition, the Minnesota Department of Commerce has required a financial assurance. Therefore, regarding franchises in Minnesota, the franchisor will defer payment of initial franchise fees until the franchised business opens, under both the unit Franchise Agreement and the Area Development Agreement.

ITEM 7 ESTIMATED INITIAL INVESTMENT

The following is added at the end of Note 1 to the first table in Item 7 (regarding development of one GolfCave Store): Notwithstanding anything to the contrary in the Franchise Agreement, the Franchisor will defer payment of initial franchise fees until the franchised business opens.

The following is added at the end of Note 1 to the second table in Item 7 (regarding development under an area development agreement): Notwithstanding anything to the contrary in the Area Development Agreement, the Franchisor will defer payment of initial franchise fees until the franchised business opens.

ITEM 13 TRADEMARKS

- 1, Franchisor will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

1. Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit the Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the disclosure document or agreement(s) can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.
2. No release language set forth in the Franchise Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.
3. Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that 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. Under the terms of the Franchise Agreement as modified by the Minnesota Addendum to the Franchise Agreement, you agree that if you engage in any non-compliance with the terms of the Franchise Agreement or unauthorized or improper use of the System or Proprietary Marks, during or after the period of this Agreement, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law, and you consent to the seeking of these temporary and permanent injunctions."

5. Any claims arising under Minnesota Statutes, Chapter 80C must be brought within three years after the cause of action accrues.

OTHER

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 in connection with the franchise.

NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Disclosure Document or Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold under the laws of the State of New York:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

THE FRANCHISOR REPRESENTS THAT THE PROSPECTUS DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

~~ITEM 2. BUSINESS EXPERIENCE~~

~~Item 2 of the Disclosure Document lists the directors, principal officers and other executives who will have management responsibility in connection with the operation of the Franchisor's business relating to the franchises offered by this disclosure document, with a statement for each regarding his principal occupations over the past five years.~~

ITEM 3. LITIGATION

Neither the Franchisor, its affiliates nor any person named in Item 2 above has pending any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) alleging a violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations.

Neither the Franchisor, its affiliates nor any person named in Item 2 above has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten year period immediately preceding the application for registration, has been convicted of a misdemeanor or pleaded nolo contendere to a misdemeanor charge or been held liable in a civil action by final judgment or been the subject of a material complaint or other legal proceeding, if such misdemeanor conviction or charge or civil action, complaint or other legal proceeding involved violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations.

Except as disclosed in Item 3 of the FDD, neither the Franchisor, its affiliates, nor any person named in Item 2 above is subject to any currently effective injunctive or restrictive order or decree relating to franchises in general or the franchise offered or under any federal, state or Canadian franchise, securities, antitrust, trade regulation or trade practice law as a result of a concluded or pending action or proceeding brought by a public agency.

~~ITEM 4. BANKRUPTCY~~

~~Neither the Franchisor nor any predecessor, affiliate, officer or general partner of the Franchisor has, during the ten year period immediately preceding the date of this disclosure document, (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the Franchisor held this position in the company or partnership.~~

~~ITEM 5. INITIAL FEES~~

~~We use the proceeds from Initial Franchise Fees to defray a portion of our expenses in connection with the sale and establishment of franchises, such as: (1) costs related to developing and improving our services; (2) expenses of preparing and registering this disclosure document; (3) legal fees; (4) accounting fees; (5) costs of obtaining and screening franchisees; and, (6) general administrative expenses.~~

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

1. You may utilize whatever legal rights you may possess to suspend or discontinue operations due to a breach by the Franchisor and you may terminate the Agreement on any grounds available by law. The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee": You may terminate the agreement on any grounds available by law.

2. Sections 13.01 (H) and 14.04 (O) of the Franchise Agreement are each amended to include the following language immediately following the requirement that Franchisee execute a General Release:

"Provided, however, that all rights enjoyed by Franchisee and any causes of action arising in its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of GBL, Section 687.4 and 687.5 be satisfied."

3. The requirements of Section 12.04 and Section 23.01 of the Franchise Agreement that you consent to the entry of an injunction are modified in the State of New York to provide only that you consent to the seeking of such an injunction.

4. The following sentence is added at the end of the section entitled "Modification" in Item 17 of the Disclosure Document:

"The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or ~~upon~~ the franchisee by Article 33 of the General Business Law of the State of New York."

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

"However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall

remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections ~~687.4~~687(4) and ~~687.5~~687(5) be satisfied.”

OTHER

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 in connection with the franchise.

Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of North Dakota:

1. The laws of the State of North Dakota supersede any provisions of the Franchise Agreement or New York law if such provisions are in conflict with North Dakota law. The Franchise Agreement and Area Development Agreement will be governed by North Dakota law, rather than New York law, as stated in Item 17(w) of the Franchise Disclosure Document, Section 30.03 of the Franchise Agreement (“Governing Law”) and Section 18.12 of the Area Development Agreement (“Governing Law”).
2. Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of North Dakota, is deleted from Franchise Agreements issued in the State of North Dakota.
3. No release language set forth in the Franchise Agreement shall relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of North Dakota.
4. Item 17(c) of the Franchise Disclosure Document and Section 13.01 of the Franchise Agreement (“Conditions to Obtain Successor Term”) each require the execution of a general release upon renewal. This requirement is deleted from all Franchise Disclosure Documents and Franchise Agreements used in the State of North Dakota.
5. Item 17(i) of the Franchise Disclosure Document, Section 18.01 of the Franchise Agreement (“Further Obligations and Rights Following the Termination or Expiration of this Agreement”) and Section 16.01 of the Area Development Agreement (“Other Obligations and Rights on Termination or Expiration”) may require franchisees to consent to termination or liquidated damages. This requirement is deleted from all Franchise Disclosure Documents and agreements used in the State of North Dakota.
6. Covenants restricting competition in the State of North Dakota, such as those found in Item 17(r) of the Franchise Disclosure Document, Section 12.02 of the Franchise Agreement (“Covenant Not to Compete”) and Section 11.01 of the Area Development Agreement (“Covenants Not to Compete”), may be subject to Section 9-08-06 of the North Dakota Century Code. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.
7. Item 17(v) of the Franchise Disclosure Document, Section 30.04 of the Franchise Agreement (“Venue”) and Section 18.13 of the Area Development Agreement (“Venue”) each require that the franchisee consent to the jurisdiction of courts in Union County, New Jersey. This requirement is deleted from all Franchise Disclosure Documents and agreements used in the State of North Dakota.
8. Section 30.05 of the Franchise Agreement (“Waiver of Jury Trial and Punitive Damages”) requires the franchisee to consent to a waiver of trial by jury. This requirement is deleted from all Franchise Agreements used in the State of North Dakota.
9. Section 30.05 of the Franchise Agreement (“Waiver of Jury Trial and Punitive Damages”) and Section 18.14 of the Area Development Agreement (“Punitive Damages”) each require the franchisee to consent to a waiver of exemplary and punitive damages. This requirement is deleted from all Franchise Agreements and Area Development Agreements used in the State of North Dakota.

10. 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 in connection with the franchise.

**ADDENDUM TO
FRANCHISE DISCLOSURE DOCUMENT
ADDITIONAL INFORMATION REQUIRED BY
THE STATE OF RHODE ISLAND**

In recognition of the requirements of the State of Rhode Island Franchise Investment Act (the "Act"), §19-28.1 *et seq.*, the Franchise Disclosure Document submitted by GolfCave Franchising LLC for use in the State of Rhode Island is amended as follows:

1. Item 17 u.- Dispute resolution by arbitration or mediation shall comply with §19-28.1-21 of the Act - Private civil actions - and be amended to read:

(a.) A person who violates any provision of this Act is liable to the franchisee for damages, costs, and attorneys and experts fees. In the case of a violation of §§ 19-28.1-5, 19-28.1-8, or 19-28.1-17(1)-(5), the franchisee may also sue for rescission. No person shall be liable under this section if the defendant proves that the plaintiff knew the facts concerning the violation.

(b) Every person who directly or indirectly controls a person liable under this section, every principal executive officer or director of the liable person, every person occupying a similar status or performing similar functions, and every agent or employee of a liable person, who materially aids in the act or transaction constituting the violation, is also liable jointly and severally with and to the same extent as the person liable under this section, unless the agent, employee, officer, or director proves he or she did not know, and in the exercise of reasonable care could not have known of the existence of the fact by reason of which the liability is alleged to exist.

2. Item 17 v. - Choice of forum and Item 17 w. - Choice of law shall comply with § 19-28.1-14 of the Act - Jurisdiction and venue - and be amended to read:

A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.

3. 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 in connection with the franchise.

VIRGINIA ADDENDUM TO THE DISCLOSURE DOCUMENT

On the State Cover Page, the following Risk Factors are added:

Estimated Initial Investment. The franchisee will be required to make an estimated initial investment ranging from \$~~500,570~~~~499,810~~ to \$~~998,636~~~~997,876~~. This amount exceeds the franchisor's member's equity as of December 31, 202~~3~~~~2~~, which is ~~negative~~ \$~~48,817~~~~49,702~~.

The "Special Risks to Consider About *This Franchise*" Cover Page is amended to include the following risk factor:

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.

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure: The following statements are added to Item 17.h:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement do not constitute "reasonable cause" as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

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 in connection with the franchise.

WASHINGTON ADDENDUM TO THE DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Washington:

1. If any of the provisions in the franchise disclosure document or franchise agreement are inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Franchise Investment Protection Act, the provisions of the Act will prevail over the inconsistent provisions of the franchise disclosure document and franchise agreement with regard to any franchise sold in Washington.
2. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
3. A release or waiver of rights executed by a Franchisee will not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the Franchise Agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, and rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
4. The state of Washington has a statute, RCW 19.100.180 which may supersede the Franchise Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise.
5. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.
6. Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.
7. The Franchisor will have no obligation upon the termination of the second Successor Franchise Agreement to offer the Franchisee a continued right to operate its GolfCave Business, and the Franchisee may be required at that time to stop operating its outlet as a GolfCave Store and to comply with all post-termination obligations.
8. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

9. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.
10. In Item 6, the securities offering review fee which is listed, referring to Section 14.08 of the Franchise Agreement, will be no greater than the actual and reasonable costs incurred by the franchisor for such a review.
11. 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 in connection with the franchise.

WISCONSIN ADDENDUM TO DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Wisconsin:

1. **REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES OF THE STATE OF WISCONSIN.**
2. The following shall apply to Franchise Agreements in the State of Wisconsin:
 - a. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 shall apply to and govern the provisions of Franchise Agreements issued in the State of Wisconsin.
 - b. That Act's requirement, including the requirements that, in certain circumstances, a franchisee receives ninety (90) days' notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, shall supersede the requirements of Article 19 of the Franchise Agreement ("Default and Termination") to the extent they may be inconsistent with the Act's requirements.
3. 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 in connection with the franchise.

EXHIBIT G TO FRANCHISE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the 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
California	Not Effective
Hawaii	Not Effective
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	April 12, 2024
Minnesota	Pending
New York	Pending
North Dakota	Not Effective
Rhode Island	Pending
South Dakota	Not Effective
Virginia	Pending
Washington	Not Effective
Wisconsin	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 TO FRANCHISE DISCLOSURE DOCUMENT

RECEIPT

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 GolfCave Franchising LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that 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.

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.

If GolfCave Franchising LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency listed on Exhibit D.

The franchisor is GolfCave Franchising LLC, located at 1 Clarkton Drive, Clark, New Jersey 07066. Its telephone number is 855-995-CAVE (2283).

Issuance date: April ~~20~~12, 2024~~3~~

The franchise sellers for this offering are Russel Wechsler (VP of Operations), Lee Allen (VP of Marketing & Administration), _____, GolfCave Franchising LLC, 1 Clarkton Drive, Clark, New Jersey 07066, telephone number 855-995-CAVE (2283).

GolfCave Franchising LLC authorizes the respective state agencies identified on Exhibit E to receive service of process for it in the particular state.

I received a disclosure document dated April ~~20~~12, 2024~~3~~ that included the following Exhibits:

- EXHIBIT A FRANCHISE AGREEMENT AND RELATED MATERIALS (Including the forms of General Release as Exhibits G and H)
- EXHIBIT B AREA DEVELOPMENT AGREEMENT
- EXHIBIT C FINANCIAL STATEMENTS
- EXHIBIT D STATE ADMINISTRATORS
- EXHIBIT E AGENTS FOR SERVICE OF PROCESS
- EXHIBIT F STATE ADDENDA TO DISCLOSURE DOCUMENT
- EXHIBIT G STATE EFFECTIVE DATES PAGE
- EXHIBIT H RECEIPT

Dated: _____

PROSPECTIVE FRANCHISEE:

If a corporation or other business entity:

If an individual:

(Name of Entity)

(Signature)

By: _____

(Print Name)

Its _____
(Title)

(Signature)

(Print Name)

(Print Name)

You may return the signed receipt either by signing, dating, and mailing it to GolfCave Franchising LLC at 1 Clarkton Drive, Clark, New Jersey 07066 or by electronically executing, dating and returning it through the electronic signature platform that we require or emailing it to franchise@golfcave.com.

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 GolfCave Franchising LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that 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.

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.

If GolfCave Franchising LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency listed on Exhibit D.

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- EXHIBIT G STATE EFFECTIVE DATES PAGE
- EXHIBIT H RECEIPT

Dated: _____

PROSPECTIVE FRANCHISEE:

If a corporation or other business entity:

If an individual:

(Name of Entity)

(Signature)

By: _____

(Print Name)

Its _____
(Title)

(Signature)

(Print Name)

(Print Name)

PLEASE KEEP THIS RECEIPT FOR YOUR RECORDS.