

## **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.

As of December 31, 2024, we had two (2) affiliate-owned outlets in operation, both located in the State of California (in La Verne and Covina, respectively) (collectively, the "Affiliate-Owned Clubs"). Both Affiliate-Owned Clubs were open and operating during the entirety of the 2024 calendar year (the "Measurement Period").

The Affiliate-Owned Clubs are located approximately six and one-half (6.5) miles from each other. The Covina Affiliate-Owned Club, which opened in October 2023, features a total of two (2) golf simulators, while the La Verne Affiliate-Owned Club, which opened in January 2024, features a total of three (3) golf simulators. Because of the Affiliate-Owned Clubs' close proximity to each other, the Affiliate-Owned Clubs report their financial performance to us together, with one set of financial statements. Please see the notes following the table below for additional characteristics regarding the Affiliate-Owned Clubs during the Measurement Period.

This Item 19 contains certain historical financial performance information of the Affiliate-Owned Clubs during the Measurement Period, including total Gross Revenue, as well as certain imputed expenses.

The information below has been reported to us by the Affiliate-Owned Clubs, and we have not audited this information. Written substantiation of the historical information provided below will be provided to the prospective franchisee upon reasonable request.

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

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**Gross Sales of Affiliate-Owned Clubs During the Measurement Period**  
**(1/1/2024 – 12/31/2024)**

	January	February	March	April	May	June**	July	August	September	October	November	December	TOTALS
<b>Gross Sales<sup>1</sup></b>	<b>\$14,053.12</b>	<b>\$14,215.00</b>	<b>\$18,320.00</b>	<b>\$20,805.00</b>	<b>\$23,555.00</b>	<b>\$31,310.00</b>	<b>\$39,043.00</b>	<b>\$35,190.00</b>	<b>\$39,537.77</b>	<b>\$39,096.09</b>	<b>\$27,776.99</b>	<b>\$36,858.87</b>	<b>\$339,760.84</b>
Imputed Royalty <sup>2</sup>	\$983.72	\$995.05	\$1,282.40	\$1,456.35	\$1,648.85	\$2,191.70	\$2,733.01	\$2,463.30	\$2,767.64	\$2,736.73	\$1,944.39	\$2,580.12	\$23,738.26
Imputed Marketing Fund Contribution <sup>3</sup>	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
Imputed Local Marketing Requirement <sup>4</sup>	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$36,000
<b>Gross Sales Less Imputed Expenses<sup>5</sup></b>	<b>\$9,769.40</b>	<b>\$9,919.95</b>	<b>\$13,737.60</b>	<b>\$16,048.65</b>	<b>\$18,606.15</b>	<b>\$25,818.30</b>	<b>\$33,009.99</b>	<b>\$29,426.70</b>	<b>\$33,470.13</b>	<b>\$33,059.36</b>	<b>\$22,532.60</b>	<b>\$30,978.75</b>	<b>\$276,422.58</b>

## **Explanatory Notes to Item 19:**

### **A. General Notes**

- (1) The historical financial performance representation included in this Item 19 includes certain performance information reported by the Affiliate-Owned Clubs for the Measurement Period only. It is not a projection of what you can expect to achieve in connection with the operation of a franchised Club, nor a projection of what the Affiliate-Owned Clubs will achieve in the future.
- (2) The information presented in this Item 19 discloses only the Gross Sales reported by the Affiliate-Owned Clubs during the Measurement Period, as reflected in the above chart. It does not include or reflect any operating expenses incurred by the Affiliate-Owned Clubs, including but not limited to rent and other occupancy-related expenses, labor and employment expenses, payroll taxes, insurance costs, bank and merchant account fees, accounting fees, repairs and maintenance expenses, meals and entertainment, and other expenses that you will incur in operating a franchised Club.
- (3) You are strongly encouraged to develop your own business plan for your franchise, including capital budgets, financial statements, projects, pro forma financial statements, and other elements appropriate to your circumstances before you invest in this franchise opportunity. We encourage you to consult with your own accounting, business, and legal advisers to assist you in preparing your business plan.
- (4) The Affiliate-Owned Clubs did not pay the “Imputed Fees” to us during the Measurement Period. The Imputed Fees are defined as the Imputed Royalty (7% of Gross Sales during the Measurement Period), Imputed Marketing Fund (\$300 per month during the Measurement Period), and Imputed Local Marketing Requirement (minimum of \$3,000 per month during the Measurement Period, expended with third parties). You will be required to pay the Imputed Fees, as well as all other fees due under the Franchise Agreement
- (5) The information presented in this Item 19 excludes tax liabilities. You will be responsible for all taxes incurred in connection with the operation of your franchised Club. You are strongly encouraged to consult with a tax professional before investing in this franchise opportunity.

### **B. Defined Terms.**

- (1) “Gross Sales” means the total reported revenues and receipts from the sale of all products and services sold through the Affiliate-Owned Clubs during the Measurement Period, as reported to us by the Affiliate-Owned Clubs. Gross Sales does not include sales tax or any other taxes collected by the Affiliate-Owned Clubs and transmitted to the applicable tax authorities.
- (2) “Imputed Royalty” means the total amount of Royalty fees the Affiliate-Owned Clubs would have paid to us during the Measurement Period had the Affiliate-Owned Clubs signed our current form of Franchise Agreement. The Affiliate-Owned Clubs did not pay us these fees during the Measurement Period, and they are included for illustrative purposes only. The current Royalty Fee is described in more detail in Item 6.
- (3) “Imputed Marketing Fund” means the total amount of Marketing Fund contributions the Affiliate-Owned Clubs would have paid to us during the Measurement Period had the Affiliate-Owned Clubs signed our current form of Franchise Agreement. The Affiliate-Owned Clubs did not pay us these fees during the Measurement Period, and they are included for illustrative purposes only. The current required Marketing Fund contribution is \$300 per month.

(4) "Imputed Local Marketing Requirement" means the total minimum amount of local marketing expenditures the Affiliate-Owned Clubs would have been required to expend with third parties during the Measurement Period had the Affiliate-Owned Clubs signed our current form of Franchise Agreement. The Affiliate-Owned Clubs were not required to expend these amounts during the Measurement Period, and they are included for illustrative purposes only. The current Local Marketing Requirement is a minimum of \$3,000 per month.

(5) "Gross Sales Less Imputed Expenses" means Gross Sales less Imputed Royalty, Imputed Marketing Fund, and Imputed Local Marketing Requirement.

(6) \*\*Our Affiliate Owned Clubs began paid lead generation in June of 2024.

Except as disclosed above, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Ryan Wines at 55 Peters Canyon Road, Irvine, California 92606, and (714) 248-6130, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

**TABLE NO. 1**  
**SYSTEMWIDE OUTLET SUMMARY FOR**  
**YEARS 2022 to 2024**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Company-Owned*	2022	0	0	0
	2023	0	1	+1
	2024	1	2	+1
<b>Totals</b>	<b>2022</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2023</b>	<b>0</b>	<b>1</b>	<b>+1</b>
	<b>2024</b>	<b>1</b>	<b>2</b>	<b>+1</b>

*\*This outlet is owned and operated by our affiliate.*