THE FIRST TEE CHAPTER LICENSE AND PROGRAM DEVELOPMENT AGREEMENT

(Central Coast)

THIS AGREEMENT (the "Agreement") is made by and between **THE FIRST TEE**, a division of World Golf Foundation, Inc., a Florida nonprofit corporation ("The First Tee"), and **CENTRAL COAST JUNIOR GOLF, INC.**, a California nonprofit corporation ("Chapter").

PREAMBLE

The purpose of The First Tee® is to make golf more accessible to people of all diversities and social strata, particularly young people who otherwise may not have an opportunity to learn and play the game by creating learning facilities and programs at selected golf facilities, schools and other youth-serving locations in the United States and other countries ("Purpose"). The mission of The First Tee is to impact the lives of young people by providing educational programs that build character, instill life-enhancing values and promote healthy choices through the game of golf ("Mission"). Because the Chapter shares the Purpose and Mission of The First Tee, the Chapter desires to develop, conduct, sustain, and promote The First Tee Life Skills Experience and coordinate selected Outreach Programs (collectively, "The First Tee Program") within the Service Area for the Term of this Agreement.

The First Tee and the Chapter entered into The First Tee Chapter Formation and Facility Development Agreement dated October 15, 2002, as amended by First Amendment dated September 15, 2004, Second Amendment dated December 15, 2004, Third Amendment dated August 26, 2005 and Fourth Amendment dated June 21, 2017 (taken together the "Existing License Agreement") to conduct The First Tee programs in the Central Coast, as more particularly described therein. The purpose of this Agreement is to renew, update and replace the Existing License Agreement as more particularly described herein.

In consideration of the mutual covenants, promises and undertakings contained herein, the receipt and sufficiency of which are hereby acknowledged, the Chapter and The First Tee agree and covenant as follows:

- 1.0 **TERM**: The term will commence on the date of this Agreement and continue until December 31, 2022 ("Term"), with any renewal to be by mutual written agreement.
- 2.0 <u>SERVICE AREA</u>: The Chapter will to develop, conduct, sustain, and promote The First Tee Program and conduct marketing and fundraising activities within the boundaries of the following geographical service area: Santa Barbara and San Luis Obispo Counties, and Northern Ventura County including the cities of Oxnard, Ventura, Camarillo and Ojai ("Service Area").

3.0 **BRAND LICENSE**:

- Rights of The First Tee. The First Tee has certain common law and/or statutory rights in, and to the use of, the name "The First Tee", as well as rights to permit any recomposition of, said name, whether used as a trademark, service mark or trade name, and has the exclusive right to use and license others to use such name. The First Tee has developed one or more The First Tee logos and will make all registrations deemed necessary or appropriate by The First Tee. Any and all such logos and words created from time to time shall be considered "The First Tee Marks" and be subject to the terms and conditions hereof. The First Tee has created and may create additional trademarks and logos, including without limitation "The First Tee Life Skills Experience", "The First Tee Nine Core Values", "The First Tee Nine Healthy Habits", "The First Tee Nine Golf Fundamentals", "The First Tee National School Program" and "The First Tee DRIVE", any and all of which shall be considered additional The First Tee Marks under the Agreement. The Chapter shall manage and use such additional marks as part of its responsibility to manage the brand and coordinate the overall The First Tee Program within the Service Area.
- 3.2 <u>Grant of The First Tee License</u>. Subject to the terms hereof, the Chapter shall have the right to use The First Tee Marks for the limited use of identifying the Chapter's relationship with The First Tee and in promotion, operation, and marketing of The First Tee Program and in connection with the promotion and sale of merchandise ("The First Tee License"). The First Tee Marks are described on <u>Exhibit A</u> attached hereto, which are subject to change by The First Tee without the Chapter's knowledge or consent. Any such use of The First Tee Marks shall be approved in advance by The First Tee.
- shall have the exclusive right to use one or more marks incorporating The First Tee Marks into a new logo or name specific to the Chapter ("Secondary The First Tee Mark") in connection with the ownership, promotion, operation, and marketing of The First Tee Program, the Program Locations and the promotion and sale of merchandise ("Secondary The First Tee License"). The Chapter will promote The First Tee Program in the Service Area and conduct and manage programs under the name of "The First Tee of Central Coast", and such phrase together with the logo shown on Exhibit B shall be considered the Secondary The First Tee Marks. Any logos or other images incorporating The First Tee Marks or the above-referenced Secondary The First Tee Marks must be designed, developed and approved in advance by The First Tee. Neither The First Tee Marks nor any such Secondary The First Tee Marks shall be transferred by the Chapter to another entity or used by any Program Location in promoting or marketing The First Tee Program or its own golf course operations without the Chapter's consent.
- 3.4 <u>Merchandise</u>. The Chapter will have the right to create merchandise bearing any Secondary The First Tee Marks, including, but not limited to, caps, T-shirts, shirts, coats, jackets and other specialty items ("Authorized Goods"), so long as the Authorized Goods are manufactured in accordance with standards, specifications and instructions approved by The First Tee and are sold or otherwise distributed only within the Service Area. The Chapter's merchandise, merchandising plan, selling prices, distribution sites and methods of distribution for

any Authorized Goods are subject to the prior review and approval of The First Tee, not to be unreasonably withheld or denied. Within thirty (30) days following the termination or expiration of this Agreement, the Chapter shall destroy, or cause to be destroyed, all merchandise owned or on hand that was not sold to The First Tee at the cost to the Chapter.

- 3.5 <u>Signage</u>. The Chapter shall create at its expense signage at each Program Location that will identify the Chapter's relationship with The First Tee, incorporate the Secondary The First Tee Marks and be placed in highly visible locations. Subject to the provisions of any lease or golf facility use agreement, one or more of the Secondary The First Tee Marks can be placed on collateral material at Program Locations, such as score cards, letterhead and tee box signs.
- 3.6 Quality Control of Secondary The First Tee Marks. The Chapter will provide to The First Tee materials and guidelines as to the artwork and reproduction of any Secondary The First Tee Marks, including merchandise samples, which, upon approval by The First Tee, shall be available for use and reproduction by the Chapter. All artwork or other materials furnished or developed pursuant hereto for this purpose shall remain the property of The First Tee, and all artwork or other material delivered to the Chapter shall be returned to The First Tee upon request. The Chapter shall follow The First Tee's instructions with regard to proper trademark usage, including display of trademark registration symbols and notices. Without limiting the generality of the foregoing, the Chapter shall comply with The First Tee Brand Guidelines. The First Tee reserves the right to modify its published Brand Guidelines from time to time without the prior knowledge or consent of the Chapter.
 - 3.6.1 The Chapter acknowledges and agrees that the manner in which it uses the Secondary The First Tee Marks could have a significant effect on The First Tee's quality image. Therefore, the Chapter agrees that it will use said Marks only in such ways as are consistent with the standards set by The First Tee for all The First Tee Programs conducted by licensees of The First Tee or by The First Tee itself ("Quality Standard"). In the event The First Tee, in its commercially reasonable discretion as provided below, is of the opinion that the Chapter's use of the Secondary The First Tee Marks fails to meet the Quality Standard, The First Tee shall provide the Chapter with written notice of any specific deviation from the Quality Standard, and the Chapter shall correct same in such a manner as to bring the use of said Marks into compliance with the Quality Standard. Anything herein to the contrary notwithstanding, The First Tee shall exercise its control over the use of the Marks provided for in this Section 3.6.1 in a commercially reasonable manner and shall not interfere with internal management decisions of the Chapter with respect to use of the Marks except to the extent necessary to ensure compliance with the Quality Standard.
 - 3.6.2 The Chapter acknowledges and agrees that The First Tee is the proprietor of The First Tee Marks and will be the proprietor of any Secondary The First Tee Marks and that, solely with respect to ownership rights in and to said Marks, all of the Chapter's uses thereof under this Agreement shall inure to the benefit of The First

- Tee. The First Tee shall be the registered owner of the Secondary The First Tee Marks and The First Tee shall have the right to use said Marks without the Chapter's prior approval in marketing, promoting and reporting the activities of The First Tee network. The Chapter acknowledges that it is not acquiring any interest or right in The First Tee Marks or in any Secondary The First Tee Marks apart from the rights expressly granted to it in this Agreement. The Chapter will not contest or deny the validity of The First Tee Marks or any Secondary The First Tee Marks or the proprietary interest of The First Tee therein. Upon termination of the Secondary The First Tee License pursuant to the terms hereof, the Chapter shall immediately discontinue entirely all use of any Secondary The First Tee Marks, including any use thereof in social media or in the corporate name of the Chapter. Anything herein to the contrary notwithstanding, no monetary benefits derived by the Chapter from the Chapter's uses of the Marks shall inure to the benefit of The First Tee.
- 3.6.3 The Chapter acknowledges and agrees that nothing contained in the Secondary The First Tee License or elsewhere in this Agreement gives any right to use the names and/or logos of, or associated with, World Golf Foundation, Inc., PGA TOUR, Inc., United States Golf Association, Professional Golfers Association of America, Ladies Professional Golfers Association, Augusta National Golf Club or The Masters Tournament, or any other golf organization affiliated with or represented in the World Golf Hall of Fame or of any member, benefactor or sponsor of or inductee into the World Golf Hall of Fame. The Chapter agrees that it will not exercise the rights granted in this Agreement in any manner that might appear to constitute an endorsement by any such golf organization, member, benefactor, sponsor or inductee without having first obtained proper authorization from such golf organization, member, benefactor, sponsor or inductee.
- 3.6.4 The Chapter may co-brand using its organizational name together with the Secondary The First Tee Marks by aligning the marks adjacent to each other with respect to applicable clear space requirements, but not by combining or co-mingling the names or logos in any manner. It is also acceptable co-branding to express the license and program relationship as, for example, "The First Tee of [chapter trade name], a program of [the organization legal name]". Notwithstanding the foregoing, Chapters are required to make the Secondary The First Tee Marks prominent in co-branding situations.
- 3.7 Protection of The First Tee Marks and Secondary The First Tee Marks. At its sole discretion, The First Tee may pursue trademark, service mark and social media registrations in the United States or in any appropriate state, for The First Tee Marks and any Secondary The First Tee Marks. The Chapter shall cooperate with The First Tee in the filing and recordation of any Secondary The First Tee Marks. The First Tee shall solely bear the cost of pursuing such trademark, service mark and social media registrations for The First Tee Marks and any Secondary The First Tee Marks. The First Tee may enforce and protect The First Tee Marks and any Secondary The First Tee Marks at its sole cost and expense, and may take reasonable measures to ensure that no material infringement of The First Tee Marks and/or any Secondary The First Tee

Marks occurs, including, where necessary in The First Tee's reasonable judgment, the institution and maintenance of appropriate actions at law or suits in equity. In such case, the Chapter shall reasonably cooperate with The First Tee. In the event that The First Tee elects not to pursue an alleged infringement of The First Tee Marks and/or any Secondary The First Tee Marks in its reasonable discretion, the Chapter shall have, upon the advance approval of The First Tee, the option of pursuing, at its sole cost and expense, an action suit against the alleged infringement. In such case, The First Tee shall reasonably cooperate with the Chapter.

- Protection of The First Tee Copyright Interests. The First Tee owns a valuable 3.8 copyright interest in The First Tee Life Skills Experience, The First Tee Nine Healthy Habits, The First Tee National School Program and The First Tee DRIVE brands of curricula, training and education methods, as well as other fixed-medium information promoting The First Tee Program including any derivative works created by The First Tee or any of its chapters ("The First Tee Copyright Materials"). The Chapter acknowledges and agrees that The First Tee is the proprietor of The First Tee Copyright Materials, and all of the Chapter's uses of any such materials shall inure to the benefit of The First Tee. The First Tee shall be the registered owner of the Copyright Materials and The First Tee shall have the right to use said materials without the Chapter's prior approval in marketing, promoting and reporting the activities of The First Tee network. The Chapter acknowledges that it is not acquiring any interest or right in The First Tee Copyright Materials apart from the rights expressly granted to it as a chapter under this Agreement and shall not sublicense or otherwise permit the use thereof. The Chapter will not contest or deny the validity of The First Tee Copyright Materials or any derivative materials or the proprietary interest of The First Tee therein. Upon termination of the Secondary The First Tee License pursuant to the terms hereof, the Chapter shall immediately discontinue entirely all use of The First Tee Copyright Materials or derivative materials.
- 4.0 **PROGRAM AND OPERATING RESPONSIBILITIES**: The following are the basic terms, conditions, duties and responsibilities that the Chapter must comply with as a licensed chapter:
- 4.1 <u>Living the Purpose and Mission</u>: Essential to The First Tee's sustained positive impact is a network of chapter organizations that exemplifies the Purpose and Mission in their governance, programs, operations and community relations. To this end, Chapter leaders and other representatives will endeavor to: (i) make the character development of young people between 7 18 years of age a priority in all Chapter decisions and activities, as young people are one hundred percent of our future, (ii) serve as personal role models for demonstrating The First Tee Nine Core Values, The First Tee Nine Healthy Habits and The First Tee Codes of Conduct, (iii) increase all types of diversity and inclusion as a means of promoting long term sustainability, relevance and broader social change through The First Tee; and (iv) work together with other organizations and community leaders as appropriate to further the common goal of youth development through sport.
- 4.2 <u>Life Skills Education</u>: The core activity of the Chapter is to increase the opportunities for caring and trained adults to nurture young people in their character development

and healthy choices through the game of golf. To this end, the Chapter will: (i) implement and deliver The First Tee Life Skills Experience curriculum ("Life Skills Experience") to youth participants utilizing coaches who are registered and in compliance with the requirements of The First Coach Training Program; (ii) maintain a sufficient number of trained coaches at the levels necessary to help participants progress through the certification levels; (iii) reach the number of certifying participants each calendar year as specified in the approved Strategic Plans (minimum 600 annually); (iv) deliver programs with a 6:1 student to coach ratio or lower per class; (v) grow The First Tee Program consistent with market potential and the Chapter's approved strategic plans in support of The First Tee network planning objectives; and (vi) submit and review the required demographic and performance data on participants, coaches and trained volunteers using the chapter database software programs provided by The First Tee.

4.3 <u>Program Locations.</u> An essential way to maximize Chapter resources and expand the number of participants in The First Tee Program is for the Chapter to establish and manage relationships with existing golf facilities. A golf facility program location ("Program Location") is a green grass golf facility (9 or 18 hole golf course, driving range or other golf complex) within the Service Area that allows the chapter to deliver the Life Skills Experience to young people and provides participants with access to the golf course and practice areas at a reduced cost. The Chapter is required to create and maintain a sufficient number of Program Locations throughout the Service Area, and maximize program utilization based on the capacity at each location, to serve youth participants and impact the community consistent with its approved strategic plans. The Chapter is also required to have at least one coach at each Program Location trained at the appropriate level to deliver the certifying programs being offered at the Program Location.

The Chapter is responsible for obtaining a written use agreement with the owner or operator in each instance, which sets forth access and use rights, program delivery personnel, brand licensing, financial terms, insurance and other considerations for the Chapter to deliver the Life Skills Experience at each location. The Minimum Access Guidelines for participant certification purposes are set forth on Exhibit C. As a condition of this Agreement, the Chapter will maintain at least one golf facility use agreement that complies with the Minimum Access Guidelines. To this end, the Chapter has obtained the following three Use Agreements: (a) Golf Facility Use Agreement dated June 1, 2017 for use of Paso Robles Golf Club, 1600 Country Club Drive, Paso Robles, California 93446 that expires on June 1, 2027; (b) Use Agreement dated November 16, 2004 for use of Laguna Lake Golf Course, 11175 Los Osos Valley Road, San Luis Obispo, California 93405 that expires on November 16, 2019; and (c) Golf Facility Use Agreement dated April 1, 2014 for use of Santa Maria Country Club, 505 W. Waller Lane, Santa Maria, California 93455 that expires on January 1, 2015 with automatic one-year renewals unless terminated as provided therein. A copy of the foregoing Use Agreements is set forth on Exhibit D. At all times during the Term, the Chapter will maintain in full force and effect these Use Agreements or will secure another use agreement that complies with the then-existing Minimum Access Guidelines of The First Tee.

4.4 Outreach Programs: In addition to The First Tee Life Skills Experience, The First

Tee has created TARGET Outreach, The First Tee National School Program and The First Tee DRIVE, and may create other The First Tee branded programs delivered by others (taken together, the "Outreach Programs"). The Chapter acknowledges that The First Tee has created these Outreach Programs that may be established within the Service Area from time to time as an enhancement to The First Tee Program, with the Chapter's sponsorship or consent in each instance. The Chapter will support the implementation of Outreach Programs by aligning Chapter resources and coordinating these outreach opportunities as part of the overall The First Tee Program in the Service Area, including to: (i) develop promotional relationships with participating schools, youth-serving organizations and sponsors, (ii) create opportunities for interested Outreach Program participants to transition to the Chapter's golf facility Program Locations, (iii) coordinate with The First Tee to develop funding opportunities that will allow for continued market expansion where feasible, and (iv) reach the number of outreach participants each calendar year as specified in the approved Strategic Plans (minimum 3,000 annually).

4.5 Governance: With respect to organizational governance, the Chapter board of directors and officers will establish and continuously maintain: (i) board composition that represents the diverse interests, needs and concerns of the constituency it serves and the underserved communities that are the future of the game of golf. Diversity embodies all the differences - life and work experiences, cultures, race, ethnicity, gender, age, socio-economic background and other relevant aspects – that make people unique and that maximize the creativity and resources to positively impact young people throughout the community. To confirm that all elements of diversity have been met, a chapter board assessment matrix or profile may be used to assess the diversity of board composition in the context of the Service Area; (ii) between 9 and 25 active and engaged fiduciary directors that meet at least four times per year. The recommendation is to meet six to ten times per year. The board meets to ensure adequate financial resources and to address matters of policy, strategic direction, organizational performance and community impact; (iii) clear written statement about the duties and responsibilities of officers and directors as well as a written job description for the executive director and other key personnel; (iv) a written conflicts of interest policy which is reviewed periodically and signed annually by each officer and director; (v) that no officers have any family or financial conflicts of interest with the chapter organization. A non-majority of directors may have a conflict of interest if the board consents and the director is not involved in self-interested board decisions. Staff personnel (paid or volunteer) cannot also serve as an officer or director; (vi) a strategic plan and annual business plan as more specifically described in Section 4.6 below (subject to The First Tee's evaluation for sufficiency) to provide focus and direction as well as standards by which the Chapter can measure its performance versus its goals and objectives; (vii) that the board of directors receives and reviews regular reports on program plan and accomplishments to ensure consistency with mission, vision and values; (viii) that the board of directors receives and reviews regular financial reports to monitor budget compliance and fiscal health; (ix) the board of directors receives and reviews IRS Form 990 informational return for the previous fiscal year before filing with the Internal Revenue Service; (x) that each officer and director makes an annual financial contribution to the chapter, indicating that the board is engaged, supportive and committed; (xi) that the board of directors or committee annually evaluates the performance of the executive director based on position description and criteria previously agreed

by the board and executive director; (xii) that board performance is annually reviewed against the goals and objectives set forth in the strategic plan and annual business plan. Focus is on board composition and selection, leadership succession, strategic community alliances, proper governance role, and respecting staff's responsibility for implementing the board's budget and policy directives; and (xiii) that the board has established risk management and child protection policies for Chapter personnel and volunteers, and the board has reviewed compliance each year.

- 4.6 <u>Strategic Planning</u>: As a key practice for leadership direction and organizational sustainability, the Chapter will create multi-year strategic plans on a periodic basis with at least the following six components: organization, programs, golf facility locations, operations, marketing and funding ("Strategic Plans"). The Chapter will: (i) create Strategic Plans that align with and support the chapter network strategic plans published by The First Tee, (ii) use the Strategic Plans to measure Chapter performance versus its goals and objectives, (iii) review and update its Strategic Plans as needed on an annual basis and (iv) submit each Strategic Plan for review and evaluation by The First Tee.
- 4.7 <u>Personnel</u>: As an essential way to foster a consistent and sustainable Chapter organization, the Chapter will: (i) employ at least a full-time executive director, a full-time program director, full or part-time fundraising support, coaches and other paid staff as necessary to fulfill major program and operating duties without any significant use of board members or other volunteers; (ii) offer competitive wages and benefits to attract and retain the best qualified personnel who would make a career of The First Tee; and (iii) establish and implement annually a performance evaluation system for all personnel based on a position description and previously agreed upon criteria.
- 4.8 Financial: As a self-sustaining Chapter operation, the Chapter will: (i) keep, supervise and/or direct the keeping of, full, separate and adequate books of account for all Chapter operations, as well as records reflecting gross revenues and operating expenses of the Chapter, donor designation procedures for gifts and other revenues, and non-cash donations; (ii) timely pay any operating expenses, taxes, assessments and charges relating to the Chapter, including obligations owed to The First Tee or other chapters; (iii) establish adequate internal controls in accordance with best practices and generally acceptable accounting principles suitable for the Chapter organization; (iv) establish policies for investing surplus cash and building adequate board reserves; (v) track and report donor and gift information using a donor management software program; (vi) refrain from engaging tobacco, alcohol or other sponsors deemed inappropriate by The First Tee; and (vii) deliver to The First Tee within ninety (90) days after the end of each calendar year, annual financial statements (audited, upon request), including a balance sheet and statement of income and expense showing the operational results of the Chapter during the preceding calendar year.
- 4.9 <u>Network Involvement</u>: With respect to the Chapter organization, the Chapter will: (i) be part of the network of all chapters of The First Tee and be eligible for the benefits listed on <u>Exhibit E</u> attached hereto, (ii) participate in adult training and educational opportunities as offered

by The First Tee and third-party consultants as needed for key personnel, officers and directors, (iii) arrange for eligible participants to apply for national participant opportunities offered by The First Tee and/or regional events offered by one or more chapters, (iv) attend national and regional chapter meetings that provide updated communications, education and networking opportunities among chapters, and (v) cooperate with other licensed chapters to promote The First Tee, including participation on a regional and/or statewide chapter coordinating committee if established, and to conduct fundraising and other relationships in a manner that do not adversely affect other chapters.

- 4.10 <u>Communications</u>: The Chapter will promote and create awareness of the Chapter and The First Tee Program through all reasonable methods, including: (i) use of the domain name owned by The First Tee that incorporates the Secondary The First Tee Marks to identify the Chapter and all of its communications; (ii) maintain a dedicated Chapter website as part of the web-based communications system that links The First Tee home office and all chapters. The Chapter agrees to enter into a separate website services agreement with The First Tee's website administrator, maintain and update the Chapter website at its expense, and utilize the web-based communications system as an integral part of its marketing and program development efforts; and (iii) use of the Salesforce network data management and registration platform and pay its share of annual allocated network expenses, and (iv) use of other relevant media and social media relationships.
- Risk Management and Child Protection: The Chapter acknowledges and agrees that risk management with a focus on child protection is one way the Chapter demonstrates its commitment to the goal of youth development and the mutual protection of brand value. Effective risk management requires the application of judgment, accepting responsibility, being honest about risks when working with children, and demonstrating respect to participants, volunteers and staff by identifying and controlling threats to their safety and well-being. The Chapter agrees to establish and follow prudent and customary risk management practices in conducting The First Tee Program, including without limitation those activities with mentoring, overnight housing and transportation components, and to communicate promptly and freely among Chapter personnel and board members about risk management matters. In particular, the Chapter will focus on the following: (i) safety practices and procedures specific to golf activities; (ii) child protection strategies such as proper screening, training and supervision of all persons under the Chapter's responsibility who interact directly with youth participants, demonstrating and expecting others to demonstrate behavior consistent with The First Tee Nine Core Values, The First Tee Nine Healthy Habits and The First Tee Codes of Conduct, appropriate use of social media, use of constructive discipline with young people without hazing or corporal punishment, respecting the privacy and confidentiality of others, and adhering to proper abuse and injury reporting requirements as provided by law; (iii) with respect to transportation, using vehicles and operators that comply with appropriate safety and supervisory procedures, are adequately licensed and insured for loss to persons and property, and using operators experienced with specific program transportation needs; and (iv) other risk management and child protection procedures and practices deemed appropriate by the Chapter in the circumstances.

- 4.12 <u>Performance Measurement</u>: The First Tee has developed and will continue to develop a performance measurement system to evaluate the operating history and practices of chapters and to promote consistently exceptional performance across the Chapter network. As part of its obligations under this Agreement, the Chapter will comply with the minimum standards of the performance measurement system in place applicable to all chapters, which is currently called ZONE (Zeroing in On Network Excellence). The Chapter will endeavor to achieve beyond the minimum performance measurements on an annual basis as it seeks to be an exceptional organization within the Chapter network.
- General Duties of the Chapter: In accordance with this Agreement, the Chapter shall also: (i) submit and maintain the Chapter's corporation documents, including articles of incorporation, bylaws and conflicts of interest policies, state and federal tax exemption determinations and the names and qualifications of its officers and directors; (ii) comply with any applicable law, ordinance, rule, regulation, order or other legal or governmental requirement with respect to the Program Locations, or other Chapter operations, including, but not limited to, federal and state labor, charitable solicitation and tax laws, OSHA, ADA, workers' compensation, environmental, social security, unemployment insurance, hours of labor, wages, working conditions and other employer-employee related matters; (iii) advise The First Tee promptly in writing of any substantial property damage to a Program Location, any bodily injuries sustained by any person participating in Chapter activities, service upon or receipt by the Chapter of any summons, subpoena or other similar legal document, including notices, letters, communications or claims of any actual or alleged defaults by, claims or actions against, or potential liabilities of or relating to the Chapter, any Program Location and/or The First Tee Program; (iv) timely apply for and obtain and/or renew any approvals, licenses, permits, consents, authorizations, certificates or similar documents or actions required in connection with Chapter activities; (v) hire, discharge, supervise, and carefully monitor the work of the personnel employed by, and all agents, contractors, subcontractors or volunteers performing services for the Chapter, provided that the Chapter shall only engage qualified, competent and experienced personnel and volunteers (exercising an increased level of care at all stages, recognizing that many of the participants are young people); (vi) provide effective safety and security programs; (vii) keep, supervise and/or direct the keeping of, full, separate and adequate records of achievement of program goals and realization rates, tracking of program participants, development and management of Program Locations, Outreach Program relationships and other data relevant to the assessment of the success of The First Tee Program in the Service Area; and (viii) prepare and submit periodic reports as reasonably requested by The First Tee on the number and type of program participants and other data needed by The First Tee to describe and promote The First Tee on a national and global level.

5.0 **EVENTS OF DEFAULT; REMEDIES**.

- 5.1 <u>Events of Default</u>. The occurrence of any one or more of the following events during the term of this Agreement shall constitute an Event of Default hereunder.
 - 5.1.1 Any failure to substantially comply with the performance or observance of

- any material term, agreement, covenant or condition of this Agreement which default continues for sixty (60) days after Notice thereof is given to the defaulting party; provided, however, if such default cannot be cured within sixty (60) days, no Event of Default shall be deemed to have occurred so long as the defaulting party has commenced and is diligently implementing a cure within said sixty (60) day period and pursues such cure to a timely conclusion;
- 5.1.2 Any materially false or misleading representation or warranty contained in or given in connection with this Agreement which continues uncorrected for thirty (30) days after Notice thereof is given to the defaulting party;
- 5.1.3 The application by either party for, or consent to, the appointment of a receiver, trustee, liquidator or custodian (or similar official) of it or all or a substantial part of its assets; or if either party shall: (i) be unable, or admit in writing its inability, to pay its debts as they mature, (ii) make a general assignment for the benefit of creditors, (iii) be adjudicated as bankrupt or insolvent, (iv) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or make any arrangement with creditors or take advantage of any insolvency loss, or (v) file an answer admitting the material allegations of a petition filed against it in any bankruptcy, reorganization or insolvency proceeding; or if any action shall be taken with the purpose of effecting any of the foregoing items (i) through (v); or if an order, judgment or decree shall be entered in any court of competent jurisdiction approving a petition seeking reorganization or appointing a receiver, trustee, liquidator or custodian (or other similar official) of either party hereto, or its assets, and such order, judgment or decree shall continue unstayed for a period of thirty (30) consecutive days;
- 5.1.4 Any Event of Default under any other agreements or other written obligations between the Chapter and The First Tee, giving effect to any cure periods provided therein;
- 5.1.5 Any tortious, fraudulent or unlawful conduct of the Chapter, its agents, officers, directors or employees that materially and adversely affects the quality image or reputation of The First Tee as determined in The First Tee's sole discretion; and
- 5.1.6 Any early termination of this Agreement by the Chapter, except in the event of termination by the Chapter due to a material default by The First Tee.
- 5.2 <u>Remedies</u>. Upon the occurrence of any Event of Default, the non-defaulting party may, but shall not be required to, terminate this Agreement upon thirty (30) days written Notice and, in addition, pursue all rights and remedies available at law or in equity, including, without limitation, specific performance. In the event of such termination, the non-defaulting party shall be released from all obligations and liabilities under this Agreement, except for those obligations and liabilities which are intended to survive termination; provided that such termination shall have no effect upon the obligations and/or liabilities which arose prior to termination.

In addition to the remedies stated above, upon an Event of Default by the Chapter under this Agreement, at The First Tee's option and upon Notice to the Chapter, the following will occur:

- 5.2.1 The Chapter shall be decertified as a member of the The First Tee chapter network and shall no longer operate as a licensed chapter;
- 5.2.2 This Agreement and all other rights granted to the Chapter by The First Tee shall terminate, and the Chapter shall promptly return any curriculum or training materials, promotional materials, as well as all unused inventory of golf equipment and supplies, received from The First Tee so that other chapters may utilize such items; and
- 5.2.3 The Chapter will repay to The First Tee any cash grants received from The First Tee disbursed for use in the construction or renovation of a Program Location ("The First Tee Capital Funds") as follows: If Decertified within the first five (5) years of the Term, the Chapter will, within thirty (30) days of being Decertified, begin repayment to The First Tee 100% of the First Tee Capital Funds. Repayment shall be made in equal monthly installments over a three (3) year period.
- 5.2.4 For calculating any repayment, The First Tee Capital Funds shall not include any grant money or benefits properly expended by the Chapter for programming performed while this Agreement is in force. Further, for repayment calculation, any portion of a year shall count as a full year.
- 5.2.5 The Service Area and/or the Secondary The First Tee Marks of the Chapter may be amended and modified in The First Tee's sole discretion to reflect an appropriate program service area and trade name.

6.0 **INDEMNIFICATION; INSURANCE**:

Indemnification: The Chapter shall defend, indemnify and hold The First Tee, World Golf Foundation, Inc., and their respective officers, directors, employees, representatives and agents harmless from and against, without limitation, any and all claims, losses, suits, actions, causes of action, disputes, damages, liabilities, obligations or penalties, including, without limitation, all costs, charges, expenses and reasonable attorneys' fees (whether incurred in pre-suit negotiation, in preparation for or at trial, on appeal, in any insolvency or bankruptcy proceeding or otherwise), arising out of: (i) any damage to property, or injury to, or death of persons (including the property and persons of the parties hereto, and their agents, representatives, licensees, invitees, volunteers, employees, contractors, subcontractors, officers and directors) occasioned by or in connection with the tortious acts, malfeasance, negligence or willful acts or omissions of the Chapter (or its agents, representatives, licensees, invitees, volunteers, employees, contractors, subcontractors, officers or directors); (ii) the Chapter's (or its agents, representatives, licensees, invitees, volunteers, employees, contractors, subcontractors, officers or directors) use, occupancy or operation of the Program Locations; or (iii) breach of its or their material duties and obligations under this Agreement arising from the Chapter's use of any Secondary The First Tee Marks or the Chapter's breach of its duties and obligations under this Agreement. The obligations of the

Chapter hereunder shall survive the expiration or earlier termination of this Agreement. The First Tee shall notify the Chapter promptly upon receipt of notice of any such claim, and the Chapter shall assume responsibility for the defense thereof on behalf of The First Tee, subject to the approval by The First Tee of the legal counsel engaged by the Chapter to defend such claim, which approval shall not be unreasonably withheld. These indemnification obligations shall not apply to any claims, losses, damages, obligations, penalties or liabilities which may result or arise from The First Tee's malfeasance, negligence or willful acts or omissions (or that of its agents, representatives, licensees, invitees, volunteers, employees, contractors, subcontractors, officers or directors).

- The First Tee agrees to indemnify and hold the Chapter, its related entities, and 6.2 their respective officers, directors, employees, representatives and agents (the "Chapter Indemnitees") harmless from and against, without limitation, any and all losses, claims, suits, actions, causes of action, disputes, damages, expenses, judgments, awards, petitions, demands or liabilities, joint or several, including, without limitation, all costs, charges, expenses and reasonable attorneys' fees (whether incurred in pre-suit negotiation, or before, in preparation of or at trial, on appeal or in any insolvency or bankruptcy proceeding) to which any one or more of the Chapter Indemnitees may become subject arising from The First Tee's breach of its duties and obligations under this Agreement or as a result of any infringement of a trademark or service mark by the Chapter's use of any Secondary The First Tee Marks pursuant to the terms hereof. The Chapter shall notify The First Tee promptly upon receipt of notice of any such claim, and The First Tee shall assume responsibility for the defense thereof on behalf of the Chapter Indemnitees, subject to the approval by the Chapter of the legal counsel engaged by The First Tee to defend such claim, which approval shall not be unreasonably withheld. The First Tee's obligations to the Chapter under this section shall survive the expiration or earlier termination of this Agreement.
- 6.3 <u>Insurance</u>: The Chapter shall maintain insurance against loss or damage by fire or other casualties, including, but not limited to, vandalism and malicious mischief, within the meaning of "extended coverage", covering the Chapter's activities at the Program Locations and elsewhere in such amounts as are customary for a prudent owner or operator of like properties. The Chapter shall maintain or cause to be maintained: (i) general comprehensive "all-risk" or "public liability" insurance for bodily injury, death or property damage occurring upon, in or about the Program Locations and elsewhere, covering The First Tee and the Chapter with required minimum limits of \$1,000,000 for bodily injury or death for any one occurrence or accident, and \$1,000,000 for property damage for any one occurrence or accident and \$2,000,000 in the aggregate (recommended \$4 million aggregate/umbrella coverage); (ii) workers' compensation insurance for the Chapter's employees in accordance with applicable law; (iii) accident medical coverage for youth and adults participating in the Chapter's programs; (iv) directors & officers/employment practices liability coverages or similar package and (v) such other insurance in such amounts as The First Tee may reasonably specify. Each policy of insurance shall be in a form and amount reasonably acceptable to The First Tee and shall name World Golf Foundation, Inc./The First Tee as additional insured. The Chapter shall provide The First Tee with a certificate of insurance evidencing the coverage required pursuant to this Agreement.

7.0 **REPRESENTATIONS AND WARRANTIES:**

- 7.1 By the Chapter. Without limiting the representations, covenants and warranties of the Chapter contained elsewhere in this Agreement, as a material inducement for The First Tee to enter into this Agreement, the Chapter represents and warrants to The First Tee (and unless otherwise specified, such representations and warranties are true as of the date hereof and will continue to be true at all times, as if continuously reiterated, throughout the term of this Agreement) that:
 - 7.1.1 The Chapter is a California nonprofit corporation that the Internal Revenue Service determined on April 13, 2000 to be exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code and is not a private foundation as defined in Section 509(a) of the Code.
 - 7.1.2 The Chapter has full power and authority to execute and deliver this Agreement and all documents, if any, now or hereafter to be executed and delivered by it pursuant to, or in connection with, this Agreement (collectively, "The First Tee Documents"), and to perform all obligations arising under or as a result of this Agreement. This Agreement constitutes a legal, valid and binding obligation of the Chapter, enforceable against the Chapter in accordance with its respective terms, covenants and conditions.
 - 7.1.3 The First Tee Documents do not and will not contravene any provision of any of the organizational or other governing documents of the Chapter, any judgment, order, decree, writ or injunction, or any provision of any law or regulation applicable to the Chapter, and the delivery of The First Tee Documents will not result in a breach of, constitute a default under, or require consent pursuant to, any credit agreement, lease, indenture, mortgage, deed of trust, purchase agreement, guaranty or other instrument to which the Chapter is a party or by which the Chapter is bound or affected.
 - 7.2 By The First Tee. Without limiting the representations, covenants and warranties of The First Tee contained elsewhere in this Agreement, as a material inducement for the Chapter to enter into this Agreement, The First Tee represents and warrants to the Chapter (and unless otherwise specified, such representations and warranties are true as of the date hereof and will continue to be true at all times, as if continuously reiterated, throughout the term of this Agreement) that:
 - 7.2.1 The First Tee is a Florida nonprofit corporation that the Internal Revenue Service has determined is exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code and that the Internal Revenue Service has determined is not a private foundation as defined in Section 509(a) of the Internal Revenue Code.
 - 7.2.2 The First Tee has full power and authority to execute and deliver The First

Tee Documents, and to perform all obligations arising under or as a result of The First Tee Documents. The First Tee Documents will constitute legal, valid and binding obligations of The First Tee, enforceable against The First Tee in accordance with their respective terms, covenants and conditions.

7.2.3 The First Tee Documents do not and will not contravene any provision of any of the organizational or other governing documents of The First Tee, any judgment, order, decree, writ or injunction, or any provision of any law or regulation applicable to The First Tee, and the delivery of The First Tee Documents will not result in a breach of, constitute a default under, or require consent pursuant to, any credit agreement, lease, indenture, mortgage, deed of trust, purchase agreement, guaranty or other instrument to which The First Tee is a party or by which The First Tee is bound or affected.

8.0 **GENERAL PROVISIONS**

- 8.1 Entry and Inspection Rights of The First Tee: Although the Chapter will exercise full control over the Chapter's activities, management and operation, The First Tee's role will include reasonable oversight to allow for proper evaluation of the Chapter's activities, management and operations relating to The First Tee Program. The Chapter shall maintain at an appropriate office location accurate books and records showing in detail the components and amounts of gross revenue received from The First Tee Program, and The First Tee shall be provided reasonable access to inspect such books and records upon reasonable notice to the Chapter. In connection therewith, the Chapter agrees to permit, upon prior notice to the Chapter, The First Tee, its accountants, representatives, attorneys and agents to have reasonable access to all files, records, materials, information or personnel, or to enter any Program Location or Outreach Location at any reasonable time, without material disruption to personnel or operations.
- 8.2 <u>Notice</u>. Any notice, demand, consent, authorization, request, approval or other communication which either party is required or may desire to give to or make upon the other party pursuant to this Agreement (collectively "Notice") shall be effective and valid only if in writing, signed by the party giving such Notice, and delivered personally to the other party or sent by facsimile transmission, electronic mail, hand delivery, express 24-hour guaranteed courier or delivery service or by registered or certified mail of the U.S. Postal Service, postage prepaid and return receipt requested, addressed to the other party as follows (or to such other place as either party may specify by Notice to the other party):

To the Chapter: Central Coast Junior Golf, Inc.

President

Post Office Box 6261

Santa Barbara, California 93160

To The First Tee: The First Tee

Vice President of Legal Services 425 South Legacy Trail St. Augustine, Florida 32092

Notices shall be deemed given when received, but, if delivery is not accepted, on the earlier of the date delivery is refused or the third day after it is deposited with the U.S. Postal Service.

- 8.3 <u>Assignability</u>. Neither party may assign this Agreement without the prior written consent of the other party, except that The First Tee may assign and transfer its rights and obligations hereunder to a successor entity that is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.
- 8.4 <u>Third Party Beneficiaries</u>. This Agreement shall be for the sole benefit of the parties hereto, and no other person or entity shall be entitled to rely upon or receive any benefits from this Agreement or any provision hereof.
- 8.5 <u>Modifications</u>. This Agreement may not be modified, discharged or changed in any respect whatsoever, except by a further agreement in writing duly executed by both parties hereto. However, any consent, waiver, approval or authorization shall be effective if signed by the party granting or making such consent, waiver, approval or authorization.
- 8.5 <u>No Waiver</u>. No consent to or waiver of any breach of any provision of this Agreement by either party hereto shall be construed as a consent to or waiver of any other breach of the same or any other provision hereof.
- 8.6 <u>Governing Law/Persons Bound</u>. This Agreement shall be construed and enforced in accordance with the laws of the State of Florida, and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.
- 8.7 <u>No Agency, Partnership, Joint Venture or Employment Relationship.</u> This Agreement shall not be construed as in any way establishing a partnership, joint venture, express or implied agency or employer-employee relationship between the parties hereto.
- 8.8 Entire Understanding, Exhibits, Construction. This Agreement and the documents referenced and/or incorporated herein contain the complete and entire agreement of the parties respecting the transactions contemplated herein, and supersede all prior negotiations, agreements, representatives and understandings, if any, between the parties respecting such matters. All recitals and all attachments and exhibits referred to in this Agreement are incorporated herein by reference and shall be deemed part of this Agreement for all purposes as if set forth at length herein. Because each party hereto has contributed materially in the negotiation and drafting of this Agreement, the parties agree that it shall not be construed more strictly against either party.

Upon full execution and delivery of this Agreement, the parties acknowledge and agree that the Existing License Agreement is hereby amended, restated and superseded in their entirety by the terms and conditions of this Agreement.

8.9 <u>Severability, Survival, Time of the Essence</u>. If any provision hereof is declared or held to be invalid or unenforceable, such declaration or holding shall not affect the remaining provisions hereof which shall remain in full force and effect, provided that such invalidity or unenforceability does not substantially deprive either party of the benefit of its respective bargain. All continuing covenants and/or obligations herein shall survive the expiration or earlier termination of this Agreement. Time is of the essence with respect to the parties' performance of their respective obligations hereunder.

Whereby, the parties execute and enter into this Agreement effective as of the 27^{th} day of October, 2017.

| THE FIRST TEE, a division of World Golf Foundation, Inc. | CENTRAL COAST JUNIOR GOLF, INC. |
|--|---------------------------------|
| By: | By: |
| Joe Louis Barrow, Jr. | Dr. Robert Moss |
| Chief Executive Officer | President |

EXHIBIT A THE FIRST TEE MARKS

The First Tee®



EXHIBIT B SECONDARY THE FIRST TEE MARKS

Chapter/Program Location Names in Text:

The First Tee of Central Coast at Paso Robles Golf Club [or other Program Location name]

Chapter Trade Name in Text:

The First Tee of Central Coast

Chapter Logo:



EXHIBIT C THE FIRST TEE MINIMUM ACCESS GUIDELINES

The Chapter shall provide access to golf for young people who are registered participants in The First Tee Life Skills Experience at the Program Location. This will include on-site instruction and dedicated access to the driving range, short game and practice areas, with demonstrated capacity for The First Tee participants to gain access to the golf facility at convenient times and for The First Tee's use to be fully integrated into the rhythm of play of other patrons at the facility. Specifically, the Chapter will provide the following as part of The First Tee Program:

For Registered Participants in The First Tee Program: The Chapter shall provide no less than 250 hours per calendar year of junior programming at the facility, which shall include affordable group instruction on the driving range and in a classroom setting. Classes shall include beginning, intermediate and advanced group instruction. The Chapter shall also provide for each registered The First Tee participant access to 4 rounds of golf per month during the golf season at the facility or, alternatively, may provide such access at the facility and/or at another Program Location at no cost or at low or discounted rates. Use of the driving range, short game and practice areas of the facility shall also be provided at rates affordable to the participants.

For Registered Participants in The First Tee Program Seeking Certification: In addition to the requirements stated immediately above, the Chapter shall provide additional access, which shall include 16 free rounds of golf at the facility and/or at another Program Location during the program period in which the participant is seeking The First Tee Certification.

In no event shall the Chapter deny access to The First Tee Life Skills Experience because of a participant's inability to pay. The Chapter will secure adequate sponsorship funds to provide the required no-cost access to participants.

EXHIBIT D USE AGREEMENT

[Attach Use Agreements]

EXHIBIT E BENEFITS TO THE CHAPTER

The First Tee home office provides strategic direction and operational support to licensed chapters while marshaling resources to help build capacity and enable growth and expansion throughout the chapter network. The home office provides network leadership in the following areas to benefit chapters:

Strategic Direction

Provides overall vision and focus for The First Tee chapter network, including the creation of multi-year The First Tee strategic plans with which Chapters will be aligned in their planning processes.

Curriculum and Training

Provides innovative programs for youth participants and training for adults that are researched and developed by experts in many fields. Also provides specialized instruction for coaches, teachers and youth workers delivering programs, and offers continuing education for chapter leadership including board members, executives and program directors.

Branding

Builds and protects The First Tee Brand. Ensures consistency across the chapter network and provides consultation, resources and materials in support of chapters' marketing efforts.

Financial Support

Directly and indirectly provides financial support to eligible chapters and consulting services to enhance resource development activities.

National Supply Contracts; Commercial Sponsorships

Arranges for optional benefits and discounts from sponsorships and supply contracts to assist with chapter operations. In all cases, vendors and suppliers under The First Tee's national supply and sponsorship contracts will have final authority to determine the amount of equipment, services and discounts to be supplied to the Chapter based on the vendor's market relationships and the Chapter's project and program.

Operational Standards

Establishes guidelines and offers best practices for development, operation and growth of chapters. Provides staff support via a regional director to facilitate the same and to assist chapters in their performance against measurement benchmarks.

Shared Services

Provides support to chapters in areas where shared services create more efficient and effective network operations. Primary areas include website hosting and development as well as database management.

Shared Information

Shares data useful for chapter performance – including third-party research, internal survey results and best practices – through such vehicles as the national network meeting, territory and regional meetings, board and executive education program and periodic communications.

Participant Opportunities

Hosts network-wide participant events, and facilitates chapters' hosting regional participant events, so young people from all chapters have the opportunity to develop leadership and golf skills through special experiences.