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U.S. DISTRICT COURT
NORTHERN DISTRICT OF OHIO
TOLEDO

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
WESTERN DIVISION

3:05CV7138

SGM, INC.
23040 Fuller Road
Twain Harte, CA 95383

and other similarly situated
golf courses nationwide,

Plaintiff,

v.

ROYAL LINKS USA, INC.
1630 Timber Wolf Drive
Holland, OH 43528,

Defendant.

Case No. _____

Hon. **JUDGE DAVID A. KATZ**

COMPLAINT

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Stephen D. Hartman (0074794)
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1. This is a class action complaint against Royal Links USA, Inc. ("Royal Links"),
an Ohio Corporation, for breach of contract, breach of the implied covenant of good faith

and fair dealing, and fraudulent inducement of contract resulting from Royal Links' breach of its agreements to make monthly lease reimbursements to SGM, Inc. d/b/a Sierra Golf Management (hereinafter "SGM") and hundreds of other similarly situated golf courses nationwide (collectively referred to herein as "Plaintiffs"). Royal Links and Plaintiffs entered into Royal Links USA Program Agreements (hereinafter "Program Agreements"), under which Plaintiffs were required to lease beverage caddies from third party leasing companies and, in turn, Royal Links would reimburse Plaintiffs the full amount of their monthly lease payments. In exchange, Plaintiffs would permit Royal Links to display advertising panels from various national sponsors on the beverage caddies. Despite Plaintiffs' reliance on Royal Links' representations that it would make reimbursement payments to Plaintiffs, and despite Plaintiffs' satisfaction of all conditions precedent to payment, Royal Links has refused to pay Plaintiffs amounts due and owing under the Program Agreements.

THE PARTIES

2. On information and belief, Royal Links is a corporation engaged in the business of, among other things, manufacturing and selling beverage caddies for use on golf courses. Royal Links is a Ohio corporation located in Holland, Ohio.

3. SGM is a California corporation located in Twain Harte, California.

JURISDICTION AND VENUE

4. Jurisdiction in this Court is proper pursuant to 28 U.S.C. §1332(a), as there is complete diversity of citizenship between the parties and the amount in controversy exceeds \$75,000.

5. Venue in this judicial district is proper pursuant to 28 U.S.C. §1391(a) and (c), and because, among other reasons: (i) SGM contractually agreed to litigate all disputes with Royal Links related to the Program Agreements in the United States District Court for the Northern District of Ohio, Western Division (A true and correct copy of the Program Agreements entered into between named Plaintiff, SGM, and Royal Links is attached hereto as Exhibit 1) (*See* Exhibit 1, ¶7(f)); and (ii) Royal Links is a corporation based in Holland, Ohio and is subject to personal jurisdiction in this judicial district.

CLASS ACTION ALLEGATIONS

6. Certification under Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure is proper.

7. Plaintiffs seek certification of a national class action against Royal Links for breach of contract, breach of the implied covenant of good faith and fair dealing, and fraudulent inducement of contract. The Plaintiff Class consists of the following:

- SGM and all other similarly situated golf courses and/or golf course owners or operators located across the United States who entered into a Program Agreement with Royal Links between January 1, 2002 and December 31, 2004.

8. The Plaintiff Class's claims against Royal Links consist generally of the following:

- (a) Royal Links fraudulently induced Plaintiffs to enter into Program Agreements where Plaintiffs were required to lease beverage caddies from third party leasing companies and, in turn, Royal Links promised to reimburse Plaintiffs "monthly sponsorship revenue sharing" payments which were equal to the amount of monthly

lease payments. In exchange, Plaintiffs agreed to permit Royal Links to display advertising panels from the various national sponsors on the beverage caddies.

(b) Royal Links knowingly and intentionally misrepresented to Plaintiffs that it would reimburse Plaintiffs the full amount of their monthly lease payments for the beverage caddies. Plaintiffs would not have executed the Program Agreements, or the lease agreements with third party leasing companies, but for Royal Links' promise to pay Plaintiffs monthly sponsorship revenue sharing payments.

(c) Royal Links intentionally, and in bad faith, breached the Program Agreements in October 2004 when it mass mailed a form letter to Plaintiffs informing Plaintiffs that Royal Links would no longer continue making monthly sponsorship revenue sharing payments to Plaintiffs.

9. The Rule 23(a) and Rule 23(b) requirements are met because:

(a) Plaintiffs estimate that the proposed class consists of not less than two hundred (200) golf courses across the United States, and joinder of all members in this action is impracticable.

(b) There are common questions of law or fact to the class, including but not exclusively limited to:

i. whether Royal Links intentionally and in bad faith breached the Program Agreements with Plaintiffs when it mass mailed the October 2004 form letter and ceased monthly sponsorship revenue sharing payments to Plaintiffs;

ii. whether Royal Links breached its implied duty of good faith and fair dealing by misrepresenting to Plaintiffs that Royal Links would

reimburse Plaintiffs the full amount of their monthly lease payments for the beverage caddies;

iii. whether Royal Links fraudulently induced Plaintiffs to enter into a Program Agreement with Royal Links, and a separate lease agreement with a third party leasing company; and

iv. whether Plaintiffs are entitled to the class wide relief sought in the complaint.

10. The common questions predominate over any questions affecting only individual members.

11. The named Plaintiff, SGM, is an adequate representative of the class. The claims of SGM as a class representative are typical of those class members in that they were subjected to the same unlawful treatment by Royal Links, and SGM suffered the same type harm as those suffered by other members of the class. The class representative will vigorously pursue the claims on behalf of the class, and will fairly and adequately protect the interests of the class. Plaintiffs' counsel is experienced, and professionally able to properly represent the Plaintiff Class.

12. The claims of SGM are typical of each member of the class and are based on or arise out of similar facts constituting the wrongful conduct of Royal Links.

13. A class action is far superior to any other available method, if there is any for the fair and efficient adjudication of this controversy.

COMMON FACTUAL ALLEGATIONS

Royal Links Sales Representatives Promoted and Sold Participation in the Beverage Caddy Express Program.

14. Royal Links employed several sales representatives nationwide who were responsible for promoting and selling participation in the Royal Links Beverage Caddy Express Program between January 1, 2002 and December 31, 2004.

15. The Royal Links Sales Representatives called upon owners and general managers of golf courses within their sales territory and conducted sales presentations about the Royal Links Beverage Caddy Express Program.

16. Royal Links Sales Representatives offered Plaintiffs free beverage caddies for use on their golf courses. The Royal Links Sales Representatives explained to Plaintiffs that Royal Links had just recently sold advertising space on the beverage caddies to various national sponsors. Under the Beverage Caddy Express Program, Plaintiffs were required to lease beverage caddies from a third party leasing company and, in turn, Royal Links promised to make monthly sponsorship revenue sharing payments to Plaintiffs which were equal to the amount of monthly lease payments Plaintiffs made to the third party leasing company.

17. The Royal Links Sales Representatives persuaded Plaintiffs to participate in the Program by offering free products from sponsors and by promising to reimburse Plaintiffs the lease payments for the beverage caddies. In exchange, Plaintiffs would permit Royal Links to display advertising panels from the various sponsors on the beverage caddies. The Royal Links Sales Representatives promised Plaintiffs that they would be reimbursed the full amount of their lease payments, and thus, Plaintiffs were essentially receiving free beverage caddies for use on their golf courses.

Plaintiffs and Royal Links Entered into Royal Links USA Program Agreements.

18. Plaintiffs and Royal Links formally entered into written contracts entitled “Royal Links USA Program Agreement.” (*See* Exhibit 1).

19. The individual Program Agreements signed by Plaintiffs are all virtually identical form agreements. The material terms of every Program Agreement are identical.

20. Paragraph 1 of the Program Agreement recites the exchanged consideration between Plaintiffs and Royal Links:

“Pursuant to the terms of this Agreement, Course will permit Royal Links USA to display sponsorships on its Beverage Caddy Express units in exchange for sponsorship sharing revenue.”

(*See* Exhibit 1).

21. The amount of sponsorship sharing revenue payments is stated in Paragraph 2 of the Program Agreement as payable for a sixty (60) month term:

“Royal Links USA will pay Course [\$X] per month per Beverage Caddy Express unit.”

(*See* Exhibit 1).

22. Nowhere in the Program Agreement does Royal Links reserve a contractual privilege to unilaterally discontinue, or even discount, the amount of monthly sponsorship sharing revenue payments owed to Plaintiffs.

23. Nowhere in the Program Agreement is the payment of monthly sponsorship revenue sharing payments conditioned upon actual profits made by Royal Links.

24. Nowhere in the Program Agreement is it stated that Plaintiffs would bear any risk if sponsorships could not be sold by Royal Links.

25. Plaintiffs abided by all the terms of the Program Agreement and performed all of their obligations under the Program Agreement.

26. Plaintiffs would not have entered into the Program Agreement, or the lease agreement with a third party leasing company, but for the promise by Royal Links that it would reimburse Plaintiffs the full amount of their lease payments.

Plaintiffs Entered Into Lease Agreements for the Beverage Caddies with Third Party Leasing Companies.

27. In conjunction with the Program Agreement, the Royal Links Sales Representative presented a separate lease agreement on behalf of a third party leasing company. The terms and conditions of the lease agreement were set by Royal Links.

28. At no time did Plaintiffs meet or discuss the terms of the lease agreement with a representative of the leasing company. All transactions involving the lease agreement came through a sales representative of Royal Links.

29. Although Royal Links utilized several different leasing companies to execute lease agreements with Plaintiffs, the general terms of the leases are similar. Plaintiffs were typically required to lease the beverage caddies for a sixty (60) month term at a rate equal to the amount of monthly sponsorship revenue sharing payments Royal Links was obligated to pay Plaintiffs under the terms of the Program Agreement.

30. The lease agreements substantially overvalued the beverage caddies at several times their actual worth. Nonetheless, Plaintiffs were induced to enter into these lease agreements because Royal Links represented that these over-priced lease payments would be reimbursed in full.

Royal Links Breached the Program Agreements with Plaintiffs when it Mailed the October 2004 Letter.

31. Royal Links breached the Program Agreements in October 2004 when it mass mailed a form letter to Plaintiffs informing them that Royal Links would no longer be making monthly sponsorship revenue sharing payments. (A true and correct copy of “The October 2004 Form Letter” sent by Royal Links to named Plaintiff, SGM, is attached hereto as Exhibit 2).

32. In the letter, Royal Links made general and baseless allegations that some golf courses, none specifically named, were not complying with the terms of the Program Agreement.

33. The letter stated that the “most significant and broad-based examples” of non-compliance included:

- Failure of Plaintiffs to furnish Royal Links with sales and round-play information.
- Failure of Plaintiffs to change-out advertising sign panels.
- Failure of Plaintiffs to display the Beverage Caddy Express on a consistent basis.

(See Exhibit 2).

34. Nowhere in the letter did Royal Links specifically allege or cite how any individual golf course or golf course operator failed to meet its obligations under the Program Agreement.

35. As of October 2004, Royal Links ceased monthly sponsorship revenue sharing payments to Plaintiffs and has failed to make any payments since.

36. Although Royal Links ceased monthly sponsorship revenue sharing payments to Plaintiffs, Plaintiffs are still obligated to make lease payments for the beverage caddies to third party leasing companies.

FACTUAL ALLEGATIONS SPECIFIC TO THE NAMED PLAINTIFF AND REPRESENTATIVE OF THE ENTIRE CLASS.

37. Plaintiffs repeat and reallege the allegations of Paragraphs 1-36, above, as if fully set forth herein.

38. In March of 2003, Rocky Rafkin and Rob Nichols, Royal Links Sales Representatives, promoted the Beverage Caddy Express Program to Jeff Christensen, President of SGM.

39. Rocky Rafkin and Rob Nichols represented to Jeff Christensen that SGM would receive “free” beverage caddies for use on SGM’s golf courses in exchange for permitting Royal Links to display advertising panels from various national sponsors on the beverage caddies.

40. Rocky Rafkin and Rob Nichols, represented to Jeff Christensen that Royal Links had already sold advertising space on the beverage caddies to various national sponsors. In reality, Royal Links was merely in negotiations with various sponsors and had not secured as many sponsors as represented to Jeff Christensen.

41. SGM and Royal Links formally entered into written contracts entitled “Royal Links USA Program Agreement” on April 23, 2003. The Program Agreements were executed by Jeff Christensen, on behalf of SGM, on March 21, 2003. It was subsequently executed by Steffany Adelman, an employee of Royal Links, on April 23, 2003. (*See Exhibit 1*).

42. Under the terms of the Program Agreements, SGM would lease eight (8) beverage caddies (the "Beverage Caddy Express") from a third party leasing company and, in turn, Royal Links would make monthly sponsorship revenue sharing payments to SGM at the contracted rate of \$2440.00 per month for a sixty (60) month term (total payments over the course of 60 months equaling \$146,400.00). (See Exhibit 1).

43. The amount of monthly sponsorship revenue sharing payments is clearly stated in Paragraph 2 of the Program Agreements as payable for a sixty (60) month term and at the following rate:

"Royal Links USA will pay Course \$305.00 per month per Beverage Caddy Express unit."

(See Exhibit 1, ¶ 2(a)).

44. Based upon the representations in the Program Agreements to reimburse SGM \$2440.00 in monthly sponsorship revenue sharing payments, SGM entered into a lease agreement with C and J Corporation (hereinafter "C and J") to lease eight (8) beverage caddies for a sixty (60) month term. (A true and correct copy of the lease agreement between SGM and C and J is attached hereto as Exhibit 3).

45. Upon information and belief, Royal Links' leasing department contacted C and J regarding terms of the lease and acted as an intermediary between SGM and C and J. SGM had no direct contact with C and J and communicated solely with Royal Links regarding the execution of the lease.

46. Upon executing the lease agreement, Jeff Christensen did not realize that C and J was a separate entity from Royal Links, and did not realize that SGM would be obligated

to makes lease payments to C and J even if Royal Links ceased monthly sponsorship sharing revenue payments to SGM.

47. Despite a duty to do so, Rocky Rafkin and Rob Nichols never mentioned, nor explained to Jeff Christensen, the true nature of SGM's obligations to C and J.

48. Despite a duty to do so, Rocky Rafkin and Rob Nichols never disclosed to Jeff Christensen that SGM would be obligated to make lease payments to C and J regardless of whether Royal Links made monthly sponsorship revenue sharing payments to SGM.

49. Rocky Rafkin and Rob Nichols represented to Jeff Christensen that the lease payments were merely a "check trading" process required by Royal Links' accounting department.

50. Jeff Christensen, on behalf of SGM, would not have executed any agreement—either the Program Agreements or the lease agreement—but for the promise by Royal Links to pay SGM \$2440.00 in monthly lease reimbursements.

51. On October 4, 2004, Royal Links breached the Program Agreements when it mailed a form letter to SGM explaining that "the Beverage Caddy Express/Express Hospitality Center owners have not met their obligations" and that accordingly, Royal Links would "no longer fund the monthly payments" under the Program Agreements. (*See* Exhibit 2).

52. The letter did not specifically allege or cite how SGM — or any other Plaintiff — failed to meet its obligations under the Program Agreements.

53. As of October 4, 2004, Royal Links owes SGM at least \$104,920.00 for the remaining monthly sponsorship revenue sharing payments.

54. Although Royal Links ceased monthly sponsorship revenue sharing payments to SGM, C and J contends that SGM is still obligated to make lease payments for the beverage caddies.

55. Although the specific facts — such as the date of the execution of the Program Agreement, the number of beverage caddies, and the amount of monthly sponsorship revenue sharing payments — will vary between each individual Plaintiff, Paragraphs 38-54 are representative of the entire Plaintiff Class.

COUNT I

(Breach of Contract)

56. Plaintiffs reallege and incorporate Paragraphs 1-55 as though repeated herein.

57. The Program Agreements are valid and enforceable contracts between Plaintiffs and Royal Links.

58. Plaintiffs have satisfied all conditions precedent, and fully performed their obligations under their respective Program Agreements.

59. Without justification or excuse, Royal Links has materially breached the Program Agreements by failing to make monthly sponsorship revenue sharing payments to Plaintiffs starting in October 2004 and thereafter.

60. As a result of Royal Links' material breach of the Program Agreements by ceasing monthly sponsorship revenue sharing payments, Plaintiffs are entitled to damages in the amount of the past due payments, together with prejudgment interest to the date of judgment in this matter.

COUNT II

(Breach of the Implied Covenant of Good Faith and Fair Dealing)

61. Plaintiffs reallege and incorporate Paragraphs 1-60 as though repeated herein.

62. The Program Agreements are valid and enforceable contracts between Plaintiffs and Royal Links.

63. Plaintiffs have satisfied all conditions precedent, and fully performed their obligations under the Program Agreements.

64. While each Program Agreement addresses Plaintiffs' potential breach and the effect of that breach (*See* Exhibit 1, ¶7(c)), there is no provision addressing the consequences of Royal Links' breach.

65. Since Royal Links induced Plaintiffs to enter into third party lease agreements based upon the representations in the Program Agreements, Royal Links owed Plaintiffs a duty of good faith and fair dealing prior to unilaterally terminating its reimbursement obligations under the Program Agreements.

66. Royal Links breached its implied duty of good faith and fair dealing by misrepresenting to Plaintiffs that Royal Links would reimburse Plaintiffs the full amount of their monthly lease payments to third party leasing companies.

67. Royal Links acted in bad faith when it arbitrarily and for no reason terminated the monthly sponsorship revenue sharing payments to Plaintiffs, leaving Plaintiffs still obligated to make lease payments for the beverage caddies to third party leasing companies.

68. Plaintiffs seek to recover damages for harm suffered by Royal Links' breach of the implied covenant of good faith and fair dealing arising out of the Program Agreement.

COUNT III

(Fraudulent Inducement of Contract)

69. Plaintiffs reallege and incorporate Paragraphs 1-68 as though repeated herein.

70. Royal Links misrepresented to Plaintiffs that it would reimburse Plaintiffs the full amount of their monthly lease payments for the beverage caddies in the form of monthly sponsorship revenue sharing payments pursuant to the terms of the Program Agreements.

71. Royal Links knowingly and intentionally made the aforementioned misrepresentations with the specific intent and for the specific purpose of inducing Plaintiffs to execute the Program Agreements.

72. Royal Links knowingly and intentionally made the aforementioned misrepresentations with the specific intent and for the specific purpose of inducing Plaintiffs to execute lease agreements for the beverage caddies with third party leasing companies.

73. Royal Links made the contractual promise to make monthly sponsorship revenue sharing payments to Plaintiffs with no intention of fully performing. Royal Links never intended to reimburse Plaintiffs the full cost of their lease payments.

74. Plaintiffs justifiably relied on Royal Links' representations by executing the Program Agreements, with the expectation that Royal Links would reimburse Plaintiffs the full amount of the monthly lease payments.

75. Plaintiffs further justifiably relied on Royal Links' representations in the Program Agreements that Royal Links would make lease reimbursements, and therefore, were induced to execute the separate lease agreements with third party leasing companies.

76. Royal Links' misrepresentations to Plaintiffs, including, but not limited to, its representations that it would reimburse Plaintiffs the full amount of their monthly lease payments, are the proximate cause of damages sustained by Plaintiffs.

77. As described above, Royal Links' misconduct was knowing, willful, and in bad faith, and thus warrants the imposition of punitive damages.

WHEREFORE, Plaintiffs respectfully request that this Court grant the following relief:

- A. Find that Royal Links breached the Program Agreements with Plaintiffs and require Royal Links to compensate Plaintiffs for all past, present and future unpaid monies;
- B. Find that Plaintiffs were fraudulently induced to enter into the Program Agreements, and the separate lease agreements with third party leasing companies;
- C. Find that Royal Links acted knowingly, willfully and in bad faith which warrants an award of punitive damages;
- D. Determine that this action may proceed as a Plaintiff Class Action, that SGM, INC. D/B/A SIERRA GOLF MANAGEMENT be appointed class representative, and that KERGER & ASSOCIATES and LORD, BISSELL & BROOK LLP be appointed as attorneys for the Plaintiff Class;
- E. Award to named Plaintiff and the members of the Plaintiff Class damages for all losses incurred by them including prejudgment interest;
- F. Award to the attorneys for named Plaintiff and the Plaintiff Class the cost of prosecution and reasonable attorneys' fees;
- G. Appoint an officer to administer and distribute the funds to the members of the Class herein;

H. Grant such other relief as it deems appropriate.

Dated: April 1, 2005

Respectfully submitted,

SGM INC. and other similarly situated
golf courses nationwide

By: 

One of Their Attorneys

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Chicago, IL 60603
Telephone: (312) 443-0700

EXHIBIT

1

Reservation Number 0959

Royal Links USA Program Agreement (60 months)

The Royal Links USA Program Agreement ("Agreement") is made as of the Start Date (shown below), by and between Royal Links USA ("Royal Links USA") and the owner of the golf course named below ("Course").

Course Name/Location: <u>SIGNET Golf Management Pheasant Run</u>	
Owner of Course: <u>7 courses Chauchilla, CA</u>	
Mailing Address: <u>23040 Fuller Road, Twin Harte, CA 95383</u>	
No. of Beverage Caddy Express units: <u>8</u>	Monthly Sponsorship Revenue Sharing: <u>\$ 2470⁰⁰ SA</u>
Delivery Date: <u>ASAP</u>	
Delivery Contact Name: <u>JEFF Christensen</u>	

1. **Agreement.** Pursuant to the terms of this Agreement, Course will permit Royal Links USA to display sponsorships on its Beverage Caddy Express units in exchange for sponsorship sharing revenue.

2. **Term.** The term of this Agreement includes two periods:

a) **Initial Period:** The first sixty (60) month period will begin on the delivery date of the Beverage Caddy Express units. During the initial period, Royal Links USA will pay Course \$ 300⁰⁰ per month per Beverage Caddy Express unit.

b) **Renewal Period:** A second sixty (60) month period will begin at the end of the initial period. During the renewal period, Royal Links USA will pay Course \$2,000 per year per Beverage Caddy Express unit. At Royal Links USA's option, it will refurbish or replace the Beverage Caddy Express at the beginning of the renewal term.

Initial to renew _____ Date _____

3. **Course's Duties.** During the term of this Agreement, Course will do the following:

a) Perform routine cleaning and maintenance of each Beverage Caddy Express as recommended by Royal Links USA, and repair the Beverage Caddy Express only as recommended by Royal Links USA.

b) Use each Beverage Caddy Express in its business and display each Beverage Caddy Express in prominent and visible locations throughout the golf season whenever possible.

c) Provide an annual certification as to usage of each Beverage Caddy Express unit; the volume of sales made through each unit; and such other information as Royal Links USA may reasonably require, as and when requested by Royal Links USA.

d) Purchase and maintain liability insurance of at least \$1,000,000 per claim and provide proof of this insurance upon request. Royal Links USA is not liable for any damage to Course's property, or for any injury to Course's employees or any other person in or coming to or from the premises of Course, however caused, and Course shall indemnify Royal Links USA against any such liability.

e) Maintain the Beverage Caddy Express units so that all sponsorships designated by Royal Links USA are clearly legible. Royal Links USA will have access to the Caddies at any reasonable time to inspect the Caddies and to replace or affix sponsorships. Course acknowledges and agrees that it will have no rights, title, or interest whatsoever in or to any trade names, trademarks, or other intellectual property rights of Royal Links USA or its sponsors.

4. **Exclusivity.** Course will use the Beverage Caddy Express Program exclusively during the term of this Agreement, and for one (1) year thereafter. If there is a breach or threatened breach of this section, Royal Links USA is entitled to a temporary restraining order, permanent injunction, and other appropriate equitable relief.

5. **Purchase Option.** Upon expiration or termination of this Agreement, Royal Links USA will have the option to purchase any or all of the Beverage Caddy Express units from Course for \$1.00 each. If necessary, Course will exercise its purchase option under any lease to be able to sell the Beverage Caddy Express units to Royal Links USA. Course shall deliver the Beverage Caddy Express units in clean and good operating condition, ordinary wear and tear excepted.

6. **Product Sales.** Royal Links USA is not responsible for product performance, or the acts or omissions of Course's employees and agents as related to the sale of products or services sold through the use of the Beverage Caddy Express.

7. **Miscellaneous.**

a) This Agreement constitutes the entire agreement between the parties with respect to its subject matter and supersedes any prior agreements, or representations, written or oral.

b) By notice to Course, Royal Links USA may assign this Agreement without the consent of Course. By notice to Royal Links USA, Course may, and is required to, assign this Agreement to any entity that acquires the golf course at which the Beverage Caddy Express units are to be used. Otherwise, this Agreement may not be assigned without the written consent of the other party.

c) If Course breaches this Agreement, Royal Links USA may offset monthly sponsorship revenue payments due hereunder against any payments Course owes to Royal Links USA or any of its affiliates.

d) All notices hereunder will be in writing. Any notice shall be deemed duly given three (3) business days after it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to Royal Links USA at 741 Commerce Drive, Perrysburg, Ohio 43051, or to Course at the address specified above.

e) No waiver by any party of any default, whether intentional or not, shall be deemed to extend to any prior or subsequent default. All remedies described herein are cumulative and in addition to other remedies that may be available at law or in equity.

f) This Agreement shall be governed by Ohio law, without reference to conflict of law principles. Any action related to this Agreement may be brought only in the courts of Lucas County, Ohio, or, if it has or can acquire jurisdiction, in the United States District Court for the Northern District of Ohio, Western Division. Each party consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue.

Royal Links USA

Stephanie Adelman
Signature

Stephanie Adelman / Customer
Printed Name/Title
Case Rep.

4-23-03
Date

Course

[Signature]
Signature

Jeff Christensen, President
Printed Name/Title

3/21/03
Date

addendum to Royal Links USA Program Agreement

Royal Links USA agrees to pay a One Thousand Dollar (1,000.00) manufacturer cash rebate to Club upon livery.

Reservation Number D961

Royal Links USA Program Agreement (60 months)

The Royal Links USA Program Agreement ("Agreement") is made as of the Start Date (shown below), by and between Royal Links USA ("Royal Links USA") and the owner of the golf course named below ("Course").

Course Name/Location: <u>Sirena Golf Management</u>		<u>King City GC</u>
Owner of Course: <u>7 courses</u>		<u>King City, CA</u>
Mailing Address: <u>23040 Fuller Road, Twin Harbors, CA 95383</u>		
No. of Beverage Caddy Express units: <u>8</u>	Monthly Sponsorship Revenue Sharing: <u>\$2440⁰⁰ SA</u>	Delivery Date: <u>ASAP</u>
Delivery Contact Name: <u>JEFF CHRISTENSEN</u>		

1. **Agreement.** Pursuant to the terms of this Agreement, Course will permit Royal Links USA to display sponsorships on its Beverage Caddy Express units in exchange for sponsorship sharing revenue.

2. **Term.** The term of this Agreement includes two periods:

a) **Initial Period:** The first sixty (60) month period will begin on the delivery date of the Beverage Caddy Express units. During the initial period, Royal Links USA will pay Course \$305⁰⁰ per month per Beverage Caddy Express unit.

b) **Renewal Period:** A second sixty (60) month period will begin at the end of the initial period. During the renewal period, Royal Links USA will pay Course \$2,000 per year per Beverage Caddy Express unit. At Royal Links USA's option, it will refurbish or replace the Beverage Caddy Express at the beginning of the renewal term.

Initial to renew _____ Date _____

3. **Course's Duties.** During the term of this Agreement, Course will do the following:

a) Perform routine cleaning and maintenance of each Beverage Caddy Express as recommended by Royal Links USA, and repair the Beverage Caddy Express only as recommended by Royal Links USA.

b) Use each Beverage Caddy Express in its business and display each Beverage Caddy Express in prominent and visible locations throughout the golf season whenever possible.

c) Provide an annual certification as to usage of each Beverage Caddy Express unit; the volume of sales made through each unit; and such other information as Royal Links USA may reasonably require, as and when requested by Royal Links USA.

d) Purchase and maintain liability insurance of at least \$1,000,000 per claim and provide proof of this insurance upon request. Royal Links USA is not liable for any damage to Course's property, or for any injury to Course's employees or any other person in or coming to or from the premises of Course, however caused, and Course shall indemnify Royal Links USA against any such liability.

e) Maintain the Beverage Caddy Express units so that all sponsorships designated by Royal Links USA are clearly legible. Royal Links USA will have access to the Caddies at any reasonable time to inspect the Caddies and to replace or affix sponsorships. Course acknowledges and agrees that it will have no right, title, or interest whatsoever in or to any trade names, trademarks, or other intellectual property rights of Royal Links USA or its sponsors.

4. **Exclusivity.** Course will use the Beverage Caddy Express Program exclusively during the term of this Agreement, and for one (1) year thereafter. If there is a breach or threatened breach of this section, Royal Links USA is entitled to a temporary restraining order, permanent injunction, and other appropriate equitable relief.

5. **Purchase Option.** Upon expiration or termination of this Agreement, Royal Links USA will have the option to purchase any or all of the Beverage Caddy Express units from Course for \$1.00 each. If necessary, Course will exercise its purchase option under any lease to be able to sell the Beverage Caddy Express units to Royal Links USA. Course shall deliver the Beverage Caddy Express units in clean and good operating condition, ordinary wear and tear excepted.

6. **Product Sales.** Royal Links USA is not responsible for product performance, or the acts or omissions of Course's employees and agents as related to the sale of products or services sold through the use of the Beverage Caddy Express.

7. **Miscellaneous.**

a) This Agreement constitutes the entire agreement between the parties with respect to its subject matter and supersedes any prior agreements, or representations, written or oral.

b) By notice to Course, Royal Links USA may assign this Agreement without the consent of Course. By notice to Royal Links USA, Course may, and is required to, assign this Agreement to any entity that acquires the golf course at which the Beverage Caddy Express units are to be used. Otherwise, this Agreement may not be assigned without the written consent of the other party.

c) If Course breaches this Agreement, Royal Links USA may offset monthly sponsorship revenue payments due hereunder against any payments Course owes to Royal Links USA or any of its affiliates.

d) All notices hereunder will be in writing. Any notice shall be deemed duly given three (3) business days after it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to Royal Links USA at 741 Commerce Drive, Perrysburg, Ohio 43051, or to Course at the address specified above.

e) No waiver by any party of any default, whether intentional or not, shall be deemed to extend to any prior or subsequent default. All remedies described herein are cumulative and in addition to other remedies that may be available at law or in equity.

f) This Agreement shall be governed by Ohio law, without reference to conflict of law principles. Any action related to this Agreement may be brought only in the courts of Lucas County, Ohio, or, if it has or can acquire jurisdiction, in the United States District Court for the Northern District of Ohio, Western Division. Each party consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue said therein.

Royal Links USA

Stephanie Adelman

Signature
Stephanie Adelman / Customer

Printed Name/Title

4-23-03

Date

Case Rep.

Course

[Signature]

Signature
Jeff Christensen, President

Printed Name/Title

3/21/03

Date

Addendum to Royal Links USA Program Agreement

Royal Links USA agrees to pay a One Thousand Dollar (\$1,000.00) manufacturer cash rebate to Club upon delivery.

Reservation Number 0962

Royal Links USA Program Agreement (60 months)

The Royal Links USA Program Agreement ("Agreement") is made as of the Start Date (shown below), by and between Royal Links USA ("Royal Links USA") and the owner of the golf course named below ("Course").

Course Name/Location: <u>Sigbee Golf Management</u>		<u>Lonesome Dove</u>	
Owner of Course: <u>7 courses</u>		<u>Coalinga, CA</u>	
Mailing Address: <u>23040 Fuller Road, Twin Harte, CA 95393</u>			
No. of Beverage Caddy Express units: <u>8</u>	Monthly Sponsorship Revenue Sharing: <u>\$ 2440.00 / yr</u>	Delivery Date: <u>ASAP</u>	
Delivery Contact Name: <u>Jeff Christensen</u>			

1. **Agreement.** Pursuant to the terms of this Agreement, Course will permit Royal Links USA to display sponsorships on its Beverage Caddy Express units in exchange for sponsorship sharing revenue.

2. **Term.** The term of this Agreement includes two periods:

a) **Initial Period:** The first sixty (60) month period will begin on the delivery date of the Beverage Caddy Express units. During the initial period, Royal Links USA will pay Course \$2,000 per month per Beverage Caddy Express unit.

b) **Renewal Period:** A second sixty (60) month period will begin at the end of the initial period. During the renewal period, Royal Links USA will pay Course \$2,000 per year per Beverage Caddy Express unit. At Royal Links USA's option, it will refurbish or replace the Beverage Caddy Express at the beginning of the renewal term.

Initial to renew _____ Date _____

3. **Course's Duties.** During the term of this Agreement, Course will do the following:

a) Perform routine cleaning and maintenance of each Beverage Caddy Express as recommended by Royal Links USA, and repair the Beverage Caddy Express only as recommended by Royal Links USA.

b) Use each Beverage Caddy Express in its business and display each Beverage Caddy Express in prominent and visible locations throughout the golf season whenever possible.

c) Provide an annual certification as to usage of each Beverage Caddy Express unit; the volume of sales made through each unit; and such other information as Royal Links USA may reasonably require, as and when requested by Royal Links USA.

d) Purchase and maintain liability insurance of at least \$1,000,000 per claim and provide proof of this insurance upon request. Royal Links USA is not liable for any damage to Course's property, or for any injury to Course's employees or any other person in or coming to or from the premises of Course, however caused, and Course shall indemnify Royal Links USA against any such liability.

e) Maintain the Beverage Caddy Express units so that all sponsorships designated by Royal Links USA are clearly legible. Royal Links USA will have access to the Caddies at any reasonable time to inspect the Caddies and to replace or affix sponsorships. Course acknowledges and agrees that it will have no right, title, or interest whatsoever in or to any trade names, trademarks, or other intellectual property rights of Royal Links USA or its sponsors.

4. **Exclusivity.** Course will use the Beverage Caddy Express Program exclusively during the term of this Agreement, and for one (1) year thereafter. If there is a breach or threatened breach of this section, Royal Links USA is entitled to a temporary restraining order, permanent injunction, and other appropriate equitable relief.

5. **Purchase Option.** Upon expiration or termination of this Agreement, Royal Links USA will have the option to purchase any or all of the Beverage Caddy Express units from Course for \$1.00 each. If necessary, Course will exercise its purchase option under any lease to be able to sell the Beverage Caddy Express units to Royal Links USA. Course shall deliver the Beverage Caddy Express units in clean and good operating condition, ordinary wear and tear excepted.

6. **Product Sales.** Royal Links USA is not responsible for product performance, or the acts or omissions of Course's employees and agents as related to the sale of products or services sold through the use of the Beverage Caddy Express.

7. **Miscellaneous.**

a) This Agreement constitutes the entire agreement between the parties with respect to its subject matter and supersedes any prior agreements, or representations, written or oral.

b) By notice to Course, Royal Links USA may assign this Agreement without the consent of Course. By notice to Royal Links USA, Course may, and is required to, assign this Agreement to any entity that acquires the golf course at which the Beverage Caddy Express units are to be used. Otherwise, this Agreement may not be assigned without the written consent of the other party.

c) If Course breaches this Agreement, Royal Links USA may offset monthly sponsorship revenue payments due hereunder against any payments Course owes to Royal Links USA or any of its affiliates.

d) All notices hereunder will be in writing. Any notice shall be deemed duly given three (3) business days after it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to Royal Links USA at 741 Commerce Drive, Perrysburg, Ohio 43051, or to Course at the address specified above.

e) No waiver by any party of any default, whether intentional or not, shall be deemed to extend to any prior or subsequent default. All remedies described herein are cumulative and in addition to other remedies that may be available at law or in equity.

f) This Agreement shall be governed by Ohio law, without reference to conflict of law principles. Any action related to this Agreement may be brought only in the courts of Lucas County, Ohio, or, if it has or can acquire jurisdiction, in the United States District Court for the Northern District of Ohio, Western Division. Each party consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection in venue laid therein.

Royal Links USA

Stephan Adelmann
Signature
Stephan Adelmann / Customer
Printed Name/Title
4-23-03 Case Rep
Date

Course

[Signature]
Signature
John Christensen, President
Printed Name/Title
3/21/03
Date

Addendum to Royal Links USA Program Agreement

Royal Links USA agrees to pay a One Thousand Dollar (\$1,000.00) manufacturer cash rebate to Club upon delivery.

Reservation Number 0963

Royal Links USA Program Agreement (60 months)

The Royal Links USA Program Agreement ("Agreement") is made as of the Start Date (shown below), by and between Royal Links USA ("Royal Links USA") and the owner of the golf course named below ("Course").

Course Name/Location:	<u>Sirena Golf Management</u>		<u>Lemoore, CA</u>
Owner of Course:	<u>7 courses</u>		
Notice Address:	<u>23040 Fuller Road, Twin Harts, CA 95393</u>		
No. of Beverage Caddy Express units:	Monthly Sponsorship Revenue Sharing:	<u>\$2440.00</u>	Delivery Date: <u>ASAP</u>
Delivery Contact Name:	<u>JEFF Christensen</u>		

1. **Agreement.** Pursuant to the terms of this Agreement, Course will permit Royal Links USA to display sponsorships on its Beverage Caddy Express units in exchange for sponsorship sharing revenue.

2. **Term.** The term of this Agreement includes two periods:

a) **Initial Period:** The first sixty (60) month period will begin on the delivery date of the Beverage Caddy Express units. During the initial period, Royal Links USA will pay Course \$2,000 per month per Beverage Caddy Express unit.

b) **Renewal Period:** A second sixty (60) month period will begin at the end of the initial period. During the renewal period, Royal Links USA will pay Course \$2,000 per year per Beverage Caddy Express unit. At Royal Links USA's option, it will refurbish or replace the Beverage Caddy Express at the beginning of the renewal term.

Initial to renew _____ Date _____

3. **Course's Duties.** During the term of this Agreement, Course will do the following:

a) Perform routine cleaning and maintenance of each Beverage Caddy Express as recommended by Royal Links USA, and repair the Beverage Caddy Express only as recommended by Royal Links USA.

b) Use each Beverage Caddy Express in its business and display each Beverage Caddy Express in prominent and visible locations throughout the golf season whenever possible.

c) Provide an annual certification as to usage of each Beverage Caddy Express unit; the volume of sales made through each unit; and such other information as Royal Links USA may reasonably require, as and when requested by Royal Links USA.

d) Purchase and maintain liability insurance of at least \$1,000,000 per claim and provide proof of this insurance upon request. Royal Links USA is not liable for any damage to Course's property, or for any injury to Course's employees or any other person in or coming to or from the premises of Course, however caused, and Course shall indemnify Royal Links USA against any such liability.

e) Maintain the Beverage Caddy Express units so that all sponsorships designated by Royal Links USA are clearly legible. Royal Links USA will have access to the Caddies at any reasonable time to inspect the Caddies and to replace or affix sponsorships. Course acknowledges and agrees that it will have no right, title, or interest whatsoever in or to any trade names, trademarks, or other intellectual property rights of Royal Links USA or its sponsors.

4. **Exclusivity.** Course will use the Beverage Caddy Express Program exclusively during the term of this Agreement, and for one (1) year thereafter. If there is a breach or threatened breach of this section, Royal Links USA is entitled to a temporary restraining order, permanent injunction, and other appropriate equitable relief.

5. **Purchase Option.** Upon expiration or termination of this Agreement, Royal Links USA will have the option to purchase any or all of the Beverage Caddy Express units from Course for \$1.00 each. If necessary, Course will exercise its purchase option under any lease to be able to sell the Beverage Caddy Express units to Royal Links USA. Course shall deliver the Beverage Caddy Express units in clean and good operating condition, ordinary wear and tear excepted.

6. **Product Sales.** Royal Links USA is not responsible for product performance, or the acts or omissions of Course's employees and agents as related to the sale of products or services sold through the use of the Beverage Caddy Express.

7. **Miscellaneous.**

a) This Agreement constitutes the entire agreement between the parties with respect to its subject matter and supersedes any prior agreements, or representations, written or oral.

b) By notice to Course, Royal Links USA may assign this Agreement without the consent of Course. By notice to Royal Links USA, Course may, and is required to, assign this Agreement to any entity that acquires the golf course at which the Beverage Caddy Express units are to be used. Otherwise, this Agreement may not be assigned without the written consent of the other party.

c) If Course breaches this Agreement, Royal Links USA may offset monthly sponsorship revenue payments due hereunder against any payments Course owes to Royal Links USA or any of its affiliates.

d) All notices hereunder will be in writing. Any notice shall be deemed duly given three (3) business days after it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to Royal Links USA at 741 Commerce Drive, Perrysburg, Ohio 43051, or to Course at the address specified above.

e) No waiver by any party of any default, whether intentional or not, shall be deemed to extend to any prior or subsequent default. All remedies described herein are cumulative and in addition to other remedies that may be available at law or in equity.

f) This Agreement shall be governed by Ohio law, without reference to conflict of law principles. Any action related to this Agreement may be brought only in the courts of Lucas County, Ohio, or, if it has or can acquire jurisdiction, in the United States District Court for the Northern District of Ohio, Western Division. Each party consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue laid therein.

Royal Links USA

Stephanie Adelman

Stephanie Adelman / Customer Care Rep.

4-23-03

Date

Course

JAC

John Christensen, President

3/21/03

Date

Addendum to Royal Links USA Program Agreement

Royal Links USA agrees to pay a One Thousand Dollar (\$1,000.00) manufacturer cash rebate to Club upon delivery.

Reservation Number 0964

Royal Links USA Program Agreement (60 months)

The Royal Links USA Program Agreement ("Agreement") is made as of the Start Date (shown below), by and between Royal Links USA ("Royal Links USA") and the owner of the golf course named below ("Course").

Course Name/Location: <u>Sixons Golf Management</u>		<u>Delano GC</u>
Owner of Course: <u>7 courses</u>		<u>Delano, CA</u>
Mailing Address: <u>23040 Fuller Road, Twin Harte, CA 95393</u>		
No. of Beverage Caddy Express units: <u>8</u>	Monthly Sponsorship Revenue Sharing: <u>\$ 2440⁰⁰ M</u>	Delivery Date: <u>ASAP</u>
Delivery Contact Name: <u>JEFF CHRISTENSEN</u>		

1. **Agreement.** Pursuant to the terms of this Agreement, Course will permit Royal Links USA to display sponsorships on its Beverage Caddy Express units in exchange for sponsorship sharing revenue.

2. **Term.** The term of this Agreement includes two periods:

a) **Initial Period:** The first sixty (60) month period will begin on the delivery date of the Beverage Caddy Express units. During the initial period, Royal Links USA will pay Course \$ 305 per month per Beverage Caddy Express unit.

b) **Renewal Period:** A second sixty (60) month period will begin at the end of the initial period. During the renewal period, Royal Links USA will pay Course \$2,000 per year per Beverage Caddy Express unit. At Royal Links USA's option, it will refurbish or replace the Beverage Caddy Express at the beginning of the renewal term.

Initial to renew _____ Date _____

3. **Course's Duties.** During the term of this Agreement, Course will do the following:

a) Perform routine cleaning and maintenance of each Beverage Caddy Express as recommended by Royal Links USA, and repair the Beverage Caddy Express only as recommended by Royal Links USA.

b) Use each Beverage Caddy Express in its business and display each Beverage Caddy Express in prominent and visible locations throughout the golf season whenever possible.

c) Provide an annual certification as to usage of each Beverage Caddy Express unit; the volume of sales made through each unit; and such other information as Royal Links USA may reasonably require, as and when requested by Royal Links USA.

d) Purchase and maintain liability insurance of at least \$1,000,000 per claim and provide proof of this insurance upon request. Royal Links USA is not liable for any damage to Course's property, or for any injury to Course's employees or any other person in or coming to or from the premises of Course, however caused, and Course shall indemnify Royal Links USA against any such liability.

e) Maintain the Beverage Caddy Express units so that all sponsorships designated by Royal Links USA are clearly legible. Royal Links USA will have access to the Caddies at any reasonable time to inspect the Caddies and to replace or affix sponsorships. Course acknowledges and agrees that it will have no right, title, or interest whatsoever in or to any trade names, trademarks, or other intellectual property rights of Royal Links USA or its sponsors.

4. **Exclusivity.** Course will use the Beverage Caddy Express Program exclusively during the term of this Agreement, and for one (1) year thereafter. If there is a breach or threatened breach of this section, Royal Links USA is entitled to a temporary restraining order, permanent injunction, and other appropriate equitable relief.

5. **Purchase Option.** Upon expiration or termination of this Agreement, Royal Links USA will have the option to purchase any or all of the Beverage Caddy Express units from Course for \$1.00 each. If necessary, Course will exercise its purchase option under any lease to be able to sell the Beverage Caddy Express units to Royal Links USA. Course shall deliver the Beverage Caddy Express units in clean and good operating condition, ordinary wear and tear excepted.

6. **Product Sales.** Royal Links USA is not responsible for product performance, or the acts or omissions of Course's employees and agents as related to the sale of products or services sold through the use of the Beverage Caddy Express.

7. **Miscellaneous.**

a) This Agreement constitutes the entire agreement between the parties with respect to its subject matter and supersedes any prior agreements, or representations, written or oral.

b) By notice to Course, Royal Links USA may assign this Agreement without the consent of Course. By notice to Royal Links USA, Course may, and is required to, assign this Agreement to any entity that acquires the golf course at which the Beverage Caddy Express units are to be used. Otherwise, this Agreement may not be assigned without the written consent of the other party.

c) If Course breaches this Agreement, Royal Links USA may offset monthly sponsorship revenue payments due hereunder against any payments Course owes to Royal Links USA or any of its affiliates.

d) All notices hereunder will be in writing. Any notice shall be deemed duly given three (3) business days after it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to Royal Links USA at 741 Commerce Drive, Perrysburg, Ohio 43551, or to Course at the address specified above.

e) No waiver by any party of any default, whether intentional or not, shall be deemed to extend to any prior or subsequent default. All remedies described herein are cumulative and in addition to other remedies that may be available at law or in equity.

f) This Agreement shall be governed by Ohio law, without reference to conflict of law principles. Any action related to this Agreement may be brought only in the courts of Lucas County, Ohio, or, if it has or can acquire jurisdiction, in the United States District Court for the Northern District of Ohio, Western Division. Each party consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue laid therein.

Royal Links USA

Stephany Adelman

Signature

Stephany Adelman / Customer
Car Rep.

Printed Name/Title

4-23-03

Date

Course

J. A. Olsen

Signature

JOE CHRISTENSEN, President

Printed Name/Title

3/21/03

Date

Addendum to Royal Links USA Program Agreement

Royal Links USA agrees to pay a One Thousand Dollar (\$1,000.00) manufacturer cash rebate to Club upon delivery.

Reservation Number 0965

Royal Links USA Program Agreement (60 months)

The Royal Links USA Program Agreement ("Agreement") is made as of the Start Date (shown below), by and between Royal Links USA ("Royal Links USA") and the owner of the golf course named below ("Course").

Course Name/Location: <u>Sierra Golf Management</u> <u>Village Green</u>	
Owner of Course: <u>7 courses</u> <u>Fresno, CA</u>	
Mailing Address: <u>23040 Fuller Road, Twin Harte, CA 95383</u>	
No. of Beverage Caddy Express units: <u>8</u>	Monthly Sponsorship Revenue Sharing: \$ <u>2440.00</u> <u>JA</u>
Delivery Date: <u>ASAP</u>	
Delivery Contact Name: <u>JEFF CHRISTENSEN</u>	

1. **Agreement.** Pursuant to the terms of this Agreement, Course will permit Royal Links USA to display sponsorships on its Beverage Caddy Express units in exchange for sponsorship sharing revenue.

2. **Term.** The term of this Agreement includes two periods:

a) **Initial Period:** The first sixty (60) month period will begin on the delivery date of the Beverage Caddy Express units. During the initial period, Royal Links USA will pay Course \$305 per month per Beverage Caddy Express unit. JA

b) **Renewal Period:** A second sixty (60) month period will begin at the end of the initial period. During the renewal period, Royal Links USA will pay Course \$2,000 per year per Beverage Caddy Express unit. At Royal Links USA's option, it will refurbish or replace the Beverage Caddy Express at the beginning of the renewal term.

Initial to renew _____ Date _____

3. **Course's Duties.** During the term of this Agreement, Course will do the following:

a) Perform routine cleaning and maintenance of each Beverage Caddy Express as recommended by Royal Links USA, and repair the Beverage Caddy Express only as recommended by Royal Links USA.

b) Use each Beverage Caddy Express in its business and display each Beverage Caddy Express in prominent and visible locations throughout the golf season whenever possible.

c) Provide an annual certification as to usage of each Beverage Caddy Express unit; the volume of sales made through each unit; and such other information as Royal Links USA may reasonably require, as and when requested by Royal Links USA.

d) Purchase and maintain liability insurance of at least \$1,000,000 per claim and provide proof of this insurance upon request. Royal Links USA is not liable for any damage to Course's property, or for any injury to Course's employees or any other person in or coming to or from the premises of Course, however caused, and Course shall indemnify Royal Links USA against any such liability.

e) Maintain the Beverage Caddy Express units so that all sponsorships designated by Royal Links USA are clearly legible. Royal Links USA will have access to the Caddies at any reasonable time to inspect the Caddies and to replace or affix sponsorships. Course acknowledges and agrees that it will have no right, title, or interest whatsoever in or to any trade names, trademarks, or other intellectual property rights of Royal Links USA or its sponsors.

4. **Exclusivity.** Course will use the Beverage Caddy Express Program exclusively during the term of this Agreement, and for one (1) year thereafter. If there is a breach or threatened breach of this section, Royal Links USA is entitled to a temporary restraining order, permanent injunction, and other appropriate equitable relief.

5. **Purchase Option.** Upon expiration or termination of this Agreement, Royal Links USA will have the option to purchase any or all of the Beverage Caddy Express units from Course for \$1.00 each. If necessary, Course will exercise its purchase option under any lease to be able to sell the Beverage Caddy Express units to Royal Links USA. Course shall deliver the Beverage Caddy Express units in clean and good operating condition, ordinary wear and tear excepted.

6. **Product Sales.** Royal Links USA is not responsible for product performance, or the acts or omissions of Course's employees and agents as related to the sale of products or services sold through the use of the Beverage Caddy Express.

7. **Miscellaneous.**

a) This Agreement constitutes the entire agreement between the parties with respect to its subject matter and supersedes any prior agreements, or representations, written or oral.

b) By notice to Course, Royal Links USA may assign this Agreement without the consent of Course. By notice to Royal Links USA, Course may, and is required to, assign this Agreement to any entity that acquires the golf course at which the Beverage Caddy Express units are to be used. Otherwise, this Agreement may not be assigned without the written consent of the other party.

c) If Course breaches this Agreement, Royal Links USA may offset monthly sponsorship revenue payments due hereunder against any payments Course owes to Royal Links USA or any of its affiliates.

d) All notices hereunder will be in writing. Any notice shall be deemed duly given three (3) business days after it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to Royal Links USA at 741 Commerce Drive, Perrysburg, Ohio 43551, or to Course at the address specified above.

e) No waiver by any party of any default, whether intentional or not, shall be deemed to extend to any prior or subsequent default. All remedies described herein are cumulative and in addition to other remedies that may be available at law or in equity.

f) This Agreement shall be governed by Ohio law, without reference to conflict of law principles. Any action related to this Agreement may be brought only in the courts of Lucas County, Ohio, or, if it has or can acquire jurisdiction, in the United States District Court for the Northern District of Ohio, Western Division. Each party consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue and therein.

Royal Links USA

Stephanie Adelman
Signature

Stephanie Adelman / Customer
Printed Name/Title

4-23-03
Date

Course

[Signature]
Signature

JOE CHRISTENSEN, President
Printed Name/Title

3/21/03
Date

Addendum to Royal Links USA Program Agreement

Royal Links USA agrees to pay a One Thousand Dollar (\$1,000.00) manufacturer cash rebate to Club upon delivery.

Reservation Number 0966

Royal Links USA Program Agreement (60 months)

The Royal Links USA Program Agreement ("Agreement") is made as of the Start Date (shown below), by and between Royal Links USA ("Royal Links USA") and the owner of the golf course named below ("Course").

Course Name/Location: <u>Sierra Golf Management Golf Cart Connection</u>	
Owner of Course: <u>7 courses</u>	
Mailing Address: <u>23040 Fuller Road, Twin Harte, CA 95303</u>	
No. of Beverage Caddy Express units: <u>8</u>	Monthly Sponsorship Revenue Sharing: <u>\$2440.⁰⁰ per</u>
Delivery Date: <u>ASAP</u>	
Delivery Contact Name: <u>Jeff Christensen</u>	

1. **Agreement.** Pursuant to the terms of this Agreement, Course will permit Royal Links USA to display sponsorships on its Beverage Caddy Express units in exchange for sponsorship sharing revenue.

2. **Term.** The term of this Agreement includes two periods:

a) **Initial Period:** The first sixty (60) month period will begin on the delivery date of the Beverage Caddy Express units. During the initial period, Royal Links USA will pay Course \$365 per month per Beverage Caddy Express unit.

b) **Renewal Period:** A second sixty (60) month period will begin at the end of the initial period. During the renewal period, Royal Links USA will pay Course \$2,000 per year per Beverage Caddy Express unit. At Royal Links USA's option, it will refurbish or replace the Beverage Caddy Express at the beginning of the renewal term.

3. **Course's Duties.** During the term of this Agreement, Course will do the following:

a) Perform routine cleaning and maintenance of each Beverage Caddy Express as recommended by Royal Links USA, and repair the Beverage Caddy Express only as recommended by Royal Links USA.

b) Use each Beverage Caddy Express in its business and display each Beverage Caddy Express in prominent and visible locations throughout the golf season whenever possible.

c) Provide an annual certification as to usage of each Beverage Caddy Express unit; the volume of sales made through each unit; and such other information as Royal Links USA may reasonably require, as and when requested by Royal Links USA.

d) Purchase and maintain liability insurance of at least \$1,000,000 per claim and provide proof of this insurance upon request. Royal Links USA is not liable for any damage to Course's property, or for any injury to Course's employees or any other person in or coming to or from the premises of Course, however caused, and Course shall indemnify Royal Links USA against any such liability.

e) Maintain the Beverage Caddy Express units so that all sponsorships designated by Royal Links USA are clearly legible. Royal Links USA will have access to the Caddies at any reasonable time to inspect the Caddies and to replace or affix sponsorships. Course acknowledges and agrees that it will have no right, title, or interest whatsoever in or to any trade names, trademarks, or other intellectual property rights of Royal Links USA or its sponsors.

4. **Exclusivity.** Course will use the Beverage Caddy Express Program exclusively during the term of this Agreement, and for one (1) year thereafter. If there is a breach or threatened breach of this section, Royal Links USA is entitled to a temporary restraining order, permanent injunction, and other appropriate equitable relief.

5. **Purchase Option.** Upon expiration or termination of this Agreement, Royal Links USA will have the option to purchase any or all of the Beverage Caddy Express units from Course for \$1.00 each. If necessary, Course will exercise its purchase option under any lease to be able to sell the Beverage Caddy Express units to Royal Links USA. Course shall deliver the Beverage Caddy Express units in clean and good operating condition, ordinary wear and tear excepted.

6. **Product Sales.** Royal Links USA is not responsible for product performance, or the acts or omissions of Course's employees and agents as related to the sale of products or services sold through the use of the Beverage Caddy Express.

7. **Miscellaneous.**

a) This Agreement constitutes the entire agreement between the parties with respect to its subject matter and supersedes any prior agreements, or representations, written or oral.

b) By notice to Course, Royal Links USA may assign this Agreement without the consent of Course. By notice to Royal Links USA, Course may, and is required to, assign this Agreement to any entity that acquires the golf course at which the Beverage Caddy Express units are to be used. Otherwise, this Agreement may not be assigned without the written consent of the other party.

c) If Course breaches this Agreement, Royal Links USA may offset monthly sponsorship revenue payments due hereunder against any payments Course owes to Royal Links USA or any of its affiliates.

d) All notices hereunder will be in writing. Any notice shall be deemed duly given three (3) business days after it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to Royal Links USA at 741 Commerce Drive, Perrysburg, Ohio 43551, or to Course at the address specified above.

e) No waiver by any party of any default, whether intentional or not, shall be deemed to extend to any prior or subsequent default. All remedies described herein are cumulative and in addition to other remedies that may be available at law or in equity.

f) This Agreement shall be governed by Ohio law, without reference to conflict of law principles. Any action related to this Agreement may be brought only in the courts of Lucas County, Ohio, or, if it has or can acquire jurisdiction, in the United States District Court for the Northern District of Ohio, Western Division. Each party consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue laid therein.

Royal Links USA

Stephanie Adelman

Signature
Stephanie Adelman, Customer Care Rep.

Printed Name/Title

4-23-03

Date

Course

Jeff Christensen

Signature
Jeff Christensen, President

Printed Name/Title

3/21/03

Date

Addendum to Royal Links USA Program Agreement

Royal Links USA agrees to pay a One Thousand Dollar (\$1,000.00) manufacturer cash rebate to Club upon delivery.

EXHIBIT

2



1830 Timber Wolf Drive
Holland, Ohio 43628
419.931.8000 Office
419.931.8007 Fax
www.royallinksusa.com

October 4, 2004
Sierra Golf

Jeff,

We are writing to provide you with an update of the Beverage Caddy Express/Express Hospitality Center advertising program and to notify you that we will no longer fund the monthly payments required for us to reserve space on your Beverage Caddy Express/Hospitality Center. We ask that you confirm your continued participation in this program by selecting one of the two alternatives at the end of this letter.

Since commencing our advertising program over two years ago, we have seen an increasing level of interest from regional and national advertisers in the growing number of Beverage Caddy Express/Express Hospitality Centers on which we have obtained rights to sell advertising. For the coming year, 2005, we are excited about possible opportunities to add well known consumer product companies who see the potential of marketing their products and services on your Beverage Caddy Express/Express Hospitality Center such as SAB Miller, Coke, Pepsi, Anheuser Busch and others.

Improving our advertising base, and thus our advertising revenue which is needed to support our new advertising program described below, will require a change in our relationship with each Beverage Caddy Express/Express Hospitality Center owner, including you. Going forward, our ability to attract a growing base of advertisers, will depend on two key components: providing advertisers with enhanced access to the Beverage Caddy Express/Express Hospitality Center and maintaining compliance by you and the other Beverage Caddy Express/Express Hospitality Center owners with your and their marketing and reporting obligations.

Advertisers are increasingly demanding greater access to the retail outlets where their goods are sold and/or displayed. For example, a food manufacturer will require that certain of its products be sold on the Beverage Caddy Express/Express Hospitality Center. Similarly, an auto retailer or manufacturer may require that its product advertised on the Beverage Caddy Express/Express Hospitality Center is also promoted in some fashion at the Course facility.

All advertisers, regardless of their demands for access, insist upon strict compliance with their marketing and display requirements. With few exceptions, the Beverage Caddy Express/Express Hospitality Center owners have not met their obligations in this regard. The most significant and broad-based examples include:

- ❖ Failure of the Beverage Caddy Express/Express Hospitality Center owners to furnish us with their cart sales and round-play information.
- ❖ Failure of the Beverage Caddy Express/Express Hospitality Center owners to change-out the sign panels - either on a timely basis or, in some cases, not at all.
- ❖ Less wide-spread but no less significant to our ability in the future to secure advertising commitments is the failure of some courses to display the Beverage Caddy Express/Express Hospitality Centers on a consistent basis or at all.

Additional specific examples of non-compliance include the following:

- ❖ In May of 2004 requests were sent to the courses to perform a panel change-out. It took the courses over 3 months to implement the panel change-out, after 3 letters and thousands of phone calls and today we still have courses that have not returned our calls or letters to send back their proof of placement form, which validates installation.
- ❖ Some of the courses have not taken their cart out of their storage area, let alone removed the original shrink wrap.
- ❖ Some Beverage Caddy Express/Express Hospitality Centers are being used only for tournaments or special events and are not being used/visible whenever possible as required in the Program Agreement.

- ❖ A course sold advertising and placed those advertisements on the Beverage Caddy Express/Express Hospitality Center instead of the panels that we sent to be placed on the Beverage Caddy Express/Express Hospitality Center.
- ❖ An advertising agent visited a course with a Beverage Caddy Express/Express Hospitality Center and was told they don't allow advertising on their grounds, yet the course signed a Program Agreement and a Proof of Placement form with Royal Links USA, Inc.
- ❖ A prospective local advertiser visited a course to see the location of the Beverage Caddy Express/Express Hospitality Center and found it not to be visible, thus negating a potential advertising sale.
- ❖ Numerous mailings were sent requesting courses to contact us regarding a sponsored no-cost hole-in-one program and to date over 500 courses still have not responded.
- ❖ Most Beverage Caddy Express/Express Hospitality Center owners have not submitted, as stipulated in the Program Agreement, the annual certification of usage and volume of sales or previous survey information.
- ❖ Most Beverage Caddy Express/Express Hospitality Center owners have not submitted, as stipulated in the Program Agreement, proof of liability insurance.

As a result of the advertiser demands and, significantly, the non-compliance issues described above, we have been forced to re-examine our relationship with you and find ways to improve our relationship with you and other owners of the Beverage Caddy Express/Express Hospitality Center units over the next year and beyond. The outcome of this process is a new Agreement which provides you with the opportunity to choose the "yes" option to work with us going forward. The benefits are as follows:

FOR YOU:

- *Increased flexibility* – you will be able to market the advertising space on your Beverage Caddy Express/Express Hospitality Center and retain all of the advertising revenues subject only to requirements of specific programs which YOU select
- *Release From Obligations* – you will not be burdened with any of the reporting or other obligations under the current agreement – unless YOU agree to these obligations in connection with specific programs YOU decide to accept
- *Opportunity to Participate in Value Added Programs* – you will be able to participate in advertising and marketing programs we present to you thus offering you value added opportunities – there is no obligation to accept any program or all programs – program selection is YOUR choice

FOR US:

- *Access* -- Your commitment to us that you will consider programs we might offer is important to us – as we then are able to present our relationship with you to potential advertisers and program sponsors
- *Flexibility in Program Design* – we will be able to design programs specific to certain regions – in some cases specific to certain Beverage Caddy Express/Express Hospitality Center operators -- rather than the "one size fits all" constraint of our current agreement with you
- *Improved Efficiency* – we will be able to focus our attention, and that of our advertising and program sponsors, on those Beverage Caddy Express/Express Hospitality Center operators who select programs rather than the current arrangement which forces us to "police" all of the operators including those that do not wish to participate

We are encouraged about the prospects for the coming season. If we are to proceed with you, it will need to be according to the new Agreement – a copy of which we have enclosed with this letter. If you choose to participate with us, please sign the enclosed copy of the Agreement and return it to us at your earliest convenience. As we will use this Agreement to attract advertisers, it is important that you respond quickly by October 15, 2004.

If you choose not to participate with us and wish to terminate our relationship allowing you to use your Beverage Caddy Express/Express Hospitality Center on an unrestricted basis, please sign a copy of this letter where indicated below and return it to us by October 15, 2004.

We hope you will choose to stay with us by joining in the new Agreement. However, in either case, we would appreciate your response. Our contact information for this purpose is set forth below.

Sincerely,

Royal Links USA, Inc.



Robin Flamm, President

- YES! We would like to continue to participate in the advertising program and will have the opportunity to opt out of programs that do not fit our courses needs. We have signed a copy of the Agreement enclosed and are returning it to you with a copy of this letter by fax to 866-278-1217 and by mail by October 15, 2004.
- No. We consider our current agreement with you terminated and thus intend to utilize the Beverage Caddy Express/Express Hospitality Center as we like. We are returning a copy of this letter to you by fax to 866-278-1217 and by mail by October 15, 2004.

[NAME OF BEVERAGE CADDY EXPRESS/EXPRESS HOSPITALITY OWNER]

Course Name: _____

City: _____ State: _____

By: _____
(sign here)

Its: _____
(print title here)

Royal Links USA, Inc. Agreement

This Agreement ("Agreement") is made effective as of the date stated below, by and between Royal Links USA, Inc., an Ohio corporation ("Royal Links") and the owner of the golf course named below ("Course").

Course Name/Location:	
Owner of Course:	
Notice Address:	
No. of Express Hospitality Center units.	

1. **Agreement.** Pursuant to the terms of this Agreement, Royal Links will be granted access to the Course's Express Hospitality Center(s) ("Center") for which Royal Links will offer Course the opportunity to participate in sponsorship programs ("Programs"). Course may elect not to participate in any Program; however, participation in any Program is subject to this Agreement and the terms and conditions imposed by the Program's sponsor. The terms of each Program and the amount to be paid to Course by Royal Links for Course's participation in each Program will be described on a Program Participation Agreement, which, when accepted by Course will be part of this Agreement. References herein to the word "Agreement" mean this Agreement and each Program Participation Agreement accepted by Course.

2. **Course's Duties.** During the term of each Program in which Course participates, Course will do the following:

a) If applicable to participation in a Program, perform routine cleaning and maintenance of each Center as recommended by Royal Links, and repair the Center only as recommended by Royal Links.

b) If applicable to participation in a Program, use each Center in its business and display each Center in a prominent and visible location throughout Course's golf season.

c) Provide, as required by each Program, periodic certifications as to usage of each Center; the volume of sales made through each Center; and such other information as Royal Links or the Program sponsor may reasonably require, as and when requested by Royal Links or the Program Sponsor with appropriate notice.

d) Maintain each Center and display sponsorship materials in accordance with the requirements of the Programs in which Course has elected to participate. Course will provide Royal Links, the Program sponsors, and their authorized agents with access to each Center owned by Course at any reasonable time to inspect the Centers and to replace or affix sponsorship materials. Course acknowledges and agrees that it has no right, title, or interest whatsoever in or to any trade names, trademarks, or other intellectual property rights of Royal Links or the Program sponsors.

e) Perform verification activities as requested by Royal Links and/or the Program sponsor.

3. Miscellaneous.

a) This Agreement constitutes the entire agreement between the parties with respect to its subject matter and supersedes any prior agreements, or representations, written or oral.

b) By notice to Course, Royal Links may assign this Agreement without the consent of Course. By notice to Royal Links Course may, and is required to, assign this Agreement to any entity that acquires the golf course at which any Center is utilized. Otherwise, this Agreement may not be assigned by Course without the written consent of Royal Links.

c) If Course breaches this Agreement, then Royal Links may terminate this Agreement effective the date of such breach. Royal Links' right to terminate this Agreement because of Course's breach is not exclusive, but is in addition to and cumulative with any other rights and remedies Royal Links may have at law or in equity. If Royal Links breaches this Agreement, Course may terminate this Agreement and upon such termination neither party shall have any rights or obligations.

d) All notices hereunder shall be in writing. Any notice shall be deemed duly given three (3) business days after it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to Royal Links USA, Inc. at 1630 Timber Wolf Drive, Holland, Ohio 43528, or to Course at the address specified above.

e) No waiver by any party of any default, whether intentional or not, shall be deemed to extend to any prior or subsequent default. All remedies described herein are cumulative and in addition to other remedies that may be available at law or in equity.

f) This Agreement shall be governed by Ohio law, without reference to conflict of law principles. Any action related to this Agreement may be brought only in the courts of Lucas County, Ohio, or, if it has or can acquire jurisdiction, in the United States District Court for the Northern District of Ohio, Western Division. Each party consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue laid therein.

Royal Links USA, Inc.

Signature _____

Printed Name/Title _____

Date _____

Course

Signature _____

Printed Name/Title _____

Date _____

R10/04

EXHIBIT

3

LESSOR C and J Leasing Corp Post Office Box 8219 One Moines, IA 50001-8219	SUPPLIER OF EQUIPMENT ROYAL LINKS USA 3796 ROCKLAND CIRCLE MILLBURY, OH 43447
LEGAL NAME, ADDRESS, CITY, STATE AND ZIP OF LESSEE SONI, INC. DBA: SIERRA GOLF MANAGEMENT 23640 FULLER RD TWAIN HARTÉ, CA 95383	EQUIPMENT LOCATION (if different from Lessor Address)

EQUIPMENT DESCRIPTION

LEASE NO. 021890

TYPE, MODEL NO., CATALOG NO., ETC.

SEE ATTACHMENT A

INITIAL TERM 60	MODE OF PAYMENTS MONTHLY: X OTHER:	RENT PAYMENTS - INITIAL TERM				FIRST RENTAL \$ 0.00 SEC. DEPOSIT \$ 4880.00 OTHER (UCC, DOC) \$ 30.00 TOTAL \$ 4930.00
		NUMBER	PERIODIC RENT	SALES TAX	TOTAL	
NUMBER OF PAYMENTS 60		60	\$2440.00	incl.	\$2440.00	

ADDITIONAL PROVISIONS: Lessee may purchase equipment at the end of the term for \$ 1.00 provided the terms of the lease are met.

TERMS AND CONDITIONS OF LEASE

1. LEASE AGREEMENT. Lessee hereby leases to Lessor, the personal property described above, together with accessories and accessories, all hereinafter referred to as "equipment", upon the terms and conditions set forth in this Equipment Lease, hereinafter referred to as "Lease". The Parties to this lease agree that it is to be performed in Polk County, Iowa and that proper place for bringing any action on this lease shall be determined by Chapter 645 of The Code of Iowa, but in any event within the jurisdiction of Iowa Courts. This lease shall be deemed to have been made in and shall be constructed in accordance with and governed by the Laws of the State of Iowa.

2. THIS LEASE IS NONCANCELLABLE.

3. PAYMENT OF RENT. All rent and other sums payable by Lessee to Lessor shall be paid to Lessor at its address specified above or as Lessee may hereafter direct. Lessor agrees that on each rental payment which is not fully paid within 100 (100) days after it is due, Lessor may collect a late rental charge to an amount equal to five percent (5%) of the rental payment. In addition thereto, Lessee agrees to pay interest on all such sums not paid on demand, as well as on all other delinquent sum payments at the rate of eighteen percent (18%) per annum, or the maximum lawful contract rate, whichever is less, beginning 30 days after the payment is due.

4. NO WARRANTIES BY LESSOR. Lessor is not the manufacturer of the equipment, nor the manufacturer's agent, AND THE EQUIPMENT IS LEASED "AS IS." LESSOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IN CONNECTION WITH THIS LEASE and all warranties made by the Supplier to Lessor, if any, are hereby assigned to Lessee for the term hereof. Lessee may contact the supplier(s) for information about the warranty. The Equipment Supplier Is Not An Agent Of The Lessor.

5. INSTALLATION, MAINTENANCE, INSPECTION, REMOVAL AND RETURN OF EQUIPMENT. Lessee will be solely responsible for installation and maintenance of the equipment and keeping the equipment in good mechanical and running order. All additions, attachments, accessories and repairs made to or placed on the equipment shall become part of the equipment and shall be the property of the Lessor. Lessor shall have the right to enter upon any premises where the equipment is leased to inspect the equipment or to enforce any of Lessor's rights. The equipment shall not be removed from the location specified above without the prior written consent of the Lessor. Upon termination of the lease, the equipment shall be returned at Lessee's expense to Lessor at such place as Lessor may designate in as good a condition as when received, excepting only reasonable wear and tear resulting from proper use. Such equipment shall be properly cleaned, shipped freight prepaid and properly insured.

6. TITLE TO EQUIPMENT. Ownership of the equipment shall at all times remain in Lessor. The equipment is and shall remain personal property whether or not affixed to realty. Lessor shall have the right to display notice of its ownership of the equipment by affixing to such item of equipment an indicia of ownership. Lessee hereby gives Lessor the power of attorney to sign and file financing statements in order to protect Lessor's interest.

7. RISK OF DAMAGE TO EQUIPMENT. Until the equipment has been returned to Lessor as provided herein, Lessee shall at all times bear all risks of loss, theft, damage or destruction, partial or complete, of the equipment from whatever cause arising and will hold Lessor harmless therefrom. Lessor shall have the responsibility for the repair of any damaged equipment, and Lessee agrees to repair or cause equipment to be repaired promptly after damage. No loss, theft, destruction or damage of the equipment shall relieve Lessee of the obligation to make rental payments or any other obligations under this Lease.

8. INSURANCE. Lessee shall at its own expense keep each item of equipment insured, in an amount equal to the greater of the full replacement value of the equipment or the sum of the remaining unpaid rental payments, against loss, theft, damage and destruction including fire with extended coverage. In addition, if requested by Lessor, Lessee shall at its own expense obtain and maintain general public liability insurance, in amounts specified by Lessor, against claims for bodily injury or death or property damage arising out of the use, maintenance, operation, use or condition of the equipment. All insurance policies shall be with companies satisfactory to Lessor, shall include both Lessor and Lessee as named interests, and shall provide that no alteration or cancellation will be effective against Lessor without 30 days prior written notice to Lessor. Lessee shall deliver to Lessor such certificates or other evidence of insurance to Lessor prior to commencement date of this Lease. **IF LESSEE DOES NOT GIVE US SUCH PROOF, WE MAY (BUT WILL NOT BE OBLIGATED TO) OBTAIN OTHER INSURANCE AND CHARGE YOU A FEE FOR IT. OR WE MAY CHARGE LESSEE A MONTHLY RISK CHARGE EQUAL TO 0.25% OF THE ORIGINAL EQUIPMENT COST.** Lessor hereby assigns to the Lessor, all right title and interest Lessee has to insurance coverage required to be provided by this lease agreement. Lessee may, at its option, make all required claims to insurance carriers in the place of Lessor.

9. INDEMNITY. Lessee agrees that Lessee shall not be liable to Lessor for, and Lessee shall indemnify and save Lessor harmless from and against any and all losses, damages, injuries, claims, demands, and expenses, including any and all legal expenses, arising from or caused directly or indirectly by the actual or alleged use, possession, maintenance, operation, use or condition of, loss and other damage or destruction and whether or not claimable by Lessor or Lessee, operation, use, delivery or transportation of any item of equipment. Lessee shall assume the cost of, and the defense of any suits or legal proceedings brought or asserted against Lessor, damages, injuries, claims, demands, and expenses, and shall pay all judgments entered in any such suits or other legal proceedings.

10. LIABILITY OF LESSOR LIMITED. Lessor shall not be liable for any loss or damage which is incurred as a result of delay, strike, accident, war, emergency, labor trouble, riot or war, or any other cause beyond Lessor's control. Lessor shall not be held liable for any damage to or consequential damage or losses resulting from the installation, operation or use of the equipment furnished by Lessor.

11. TAXES, ASSESSMENTS AND FEES. Lessee agrees to pay and discharge, when due, all sales taxes, use taxes, excise taxes, personal property taxes, assessments, and all other government charges, fees, fines or penalties, on or relating to this Lease, or any of the equipment or payments hereunder, including filing and recording fees permitted by the Uniform Commercial Code, (other than Federal or State income taxes of Lessor), whether the same be payable by or billed to Lessor, Lessee or others. Upon demand, Lessee shall reimburse Lessor for any such taxes, assessments, charges, fees, fines, or penalties paid by Lessor. **THESE PROMISES WILL CONTINUE AFTER THIS LEASE ENDS.**

12. ASSIGNMENT BY LESSEE AND ENCUMBRANCES. Lessee shall have no right to assign this Lease or any other item of equipment covered hereunder without the prior written consent of the Lessor. Lessee shall not sublease, mortgage, or otherwise encumber or part with possession of, or permit any lien to attach to, any item of leased equipment.

13. ASSIGNMENT BY LESSOR. This Lease and all rights of Lessor hereunder shall be assignable by Lessor without Lessee's consent, but Lessee shall not be obligated to any assignee of the Lessor except after written notice of such assignment. In the event of an assignment, all the provisions of this Lease for the benefit of Lessee shall inure to the benefit of and be exercised by or on behalf of such assignee.

14. LESSEE'S DEFAULT. The following events shall constitute defaults on the part of the Lessee hereunder: (a) the failure of Lessee to pay any rental or other payments within ten (10) days after the date on which the same shall become due; (b) any breach or failure of Lessee to observe or perform any of its other obligations hereunder and the continuance of such default for five (5) days after notice to Lessee of the existence of such default; (c) the insolvency or bankruptcy of Lessee or the making by Lessee of an assignment for the benefit of creditors or the appointment of a trustee or receiver for Lessee or for a substantial part of its property or if Lessee ceases doing business as a going concern; or (d) the institution by or against Lessee of bankruptcy, reorganization, arrangement or insolvency proceedings. Upon the occurrence of any such default, Lessee may, at its option, do any of the following:

(i) accelerate the balance of rental payments and other sums due hereunder, thereby requiring prepayment of the Lease with all such rental payments and other sums due and payable hereunder;

(ii) terminate the Lessee's rights to the equipment;

(iii) whether or not this Lease is terminated, take immediate possession of any or all items of equipment, with or without process of law, and to effect this purpose, Lessor agrees, upon written demand, to immediately deliver such equipment to Lessee in accordance with paragraph 8C above, or at Lessor's option, Lessee may cause any item of equipment where the equipment may be located and remove the same therefrom, without being liable for suit, action or other proceeding by the Lessee;

(iv) sell, dispose of, hold, use or lease any or all equipment as Lessor in its sole discretion may desire;

(v) if Lessee does not secure immediate possession of the equipment pursuant to (iii) above, in its full condition as when leased, excepting only reasonable wear and tear resulting from proper use, Lessor may remove from Lessee:

(a) an amount equal to the then fair market value of the equipment in its and workable condition less the amount, if any, which could be realized by Lessee upon disposition or sale of such equipment;

(b) an amount equal to the estimated or actual cost necessary to bring the equipment to as good a condition as when leased, excepting only reasonable wear and tear resulting from proper use;

(vi) recover from Lessee as liquidated damages for the default of this Lease and not as a penalty, an amount equal to all unpaid rental payments and other sums due hereunder; and

(vii) pursue any other remedy at law or equity.

(viii) Upon Lessee's default of this Lease, Lessee, at its option may declare and deem any and all other Lease agreements between the parties to be void and in default and may exercise all remedies as provided by the Lease Agreements or the laws of the State of Iowa.

(ix) Lessor's use of multiple execution of the default section is intended to restore the Lessee to the position they would have been in had there been no default. In all cases of default, Lessee shall also be liable for all costs and expenses incurred by Lessor on account of such default and while enforcing any remedy including court costs and reasonable attorney's fees. The rights granted Lessor herein shall be cumulative and action upon one shall not be deemed to constitute an election or waiver of the other rights of action, or any other right to which Lessor may be entitled.

15. GENERAL PROVISIONS. This Lease constitutes the entire agreement between the parties hereto and any change or modification to this Lease must be in writing and signed by the parties hereto. The leased equipment shall not be used for personal, family or household purposes in any case. This is of the essence of this Lease. All obligations of Lessee hereunder shall continue until full performance has been rendered and shall not be released by satisfaction of this Lease. Failure of Lessee to enforce any of its rights shall not constitute waiver of such rights or of any other rights. This agreement is, and is intended to be a Lease and Lessee does not acquire hereby any right, title or interest whatsoever, legal or equitable, in or to any of the equipment, or to the proceeds of the sale of any equipment, except its interest as Lessor hereunder. Subject to the terms and conditions of this Lease, Lessee shall quietly have and enjoy the use of the equipment described during the term of this Lease without disturbance from Lessor or their any one claiming by and through or under Lessor. The invalidity of any portion of this Lease shall not affect the remaining valid portions thereof. All notices shall be binding upon the parties if sent to the address set forth herein unless a subsequent address has been furnished, by certified mail, by one party to the other. This Lease shall not be binding on Lessor until the same, executed by Lessee, shall be received and countersigned by Lessor and until receipt by Lessee of the annotated delivery and acceptance certificate from Lessee whereupon it shall become binding on and inure to the benefit of Lessor and Lessee and their respective heirs, personal representatives, administrators and assigns.

16. SECURITY DEPOSIT: Once the Lessee has satisfactorily performed all terms and conditions of the lease then the Security Deposit shall be refunded.

17. FACSIMILE: For the convenience, Lessor may accept a facsimile copy of this lease with facsimile signatures. Lessee agrees a facsimile copy will be treated as an original and will be admissible as evidence of this lease.

THE UNDERSIGNED AGREES TO ALL TERMS AND CONDITIONS SET FORTH ON THE ABOVE THREE PAGES HEREOF AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS LEASE. LESSEE HEREBY AUTHORIZES LESSOR TO ISSUE A CONFIRMING PURCHASE ORDER FOR THE EQUIPMENT DESCRIBED ABOVE.

ACCEPTED ON: 5-16-03

DATED: 4-30-03

Cand J Leasing Corp. (LESSOR)
P.O. Box 8219
New Orleans, LA 70881

SOM, INC. (LESSEE)
DBA: SIERRA GOLF MANAGEMENT

BY: [Signature]
Cand J Leasing Corp

BY: [Signature]
(By signing this agreement, signatory certifies that he or she has the authority to bind Lessee)

Print Name: JOHN CHRIS ZONSON

ITS: PRESIDENT (TITLE)

http://www.candjleasing.com

LOCAL FAX 515-327-5180 • Toll Free FAX 1-800-779-0079

LESSEE: SGM, INC.
DBA: SIERRA GOLF MANAGEMENT
23040 FULLER RD
TWAIN HARTZ, CA 95383

LESSOR: C AND J LEASING CORP
P.O. BOX 8219
DES MOINES, IA 50301-8219

VENDOR: ROYAL LINKS USA
3796 ROCKLAND CIRCLE
MILLBURY, OH 43447

8 BEVERAGE CADDY EXPRESS CARTS
(AT THE BELOW ADDRESSES)

- KING CITY GOLF COURSE
613 S VANDERHURST STREET
KING CITY CA 93930
- LEMORE MUNICIPAL GOLF COURSE
350 IONA AVE
LEMOORE CA 93245
- PHEASANT RUN GOLF COURSE (2 units)
19 CLUBHOUSE DRIVE
CHOWHILLA CA 93610
- LONESOME DOVE GOLF COURSE
41405 SLUTTER RD
COALINGA CA 93210
- SPRINGTOWN GOLF COURSE
939 LARKSPUR DRIVE
LIVERMOORE CA 9455-
- DELANO GOLF COURSE
104 S LEXINGTON STREET
DELANO CA 93216
- VILLAGE GREEN GOLF COURSE

LESSEE INITIALS X *ca*
DATE: *4-30-09*

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