FRANCHISE DISCLOSURE DOCUMENT

TruGolf Links Franchising, LLC
a Delaware limited liability company
60 North 1400 West
Centerville, Utah 84014
801-298-1997
https://www.trugolflinks.com

As a TruGolf Links franchisee, you will establish and operate a franchised business that provides dedicated indoor facilities featuring high-tech simulator bays for golf and a variety of arcade games, a full bar and snack bar featuring high quality assembled and ready-to-eat menu items, a retail sales area with logo apparel and other items, the sale of TruGolf home simulators and equipment, and event space under the "TruGolf Links" trade name and business system. You will be open to the public and offer memberships, lessons, leagues, tournaments and special events.

The total investment necessary to begin operation of a TruGolf Links franchise for a traditional location ranges from $764,745 to $1,280,750. This includes $432,950 to $497,350 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of a TruGolf Links franchise for an executive location ranges from $144,000 to $452,650. This includes $28,000 to $254,500 that must be paid to the franchisor or its affiliates.

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

You may wish to receive this disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, please contact Dr. Ben Litalien at 60 North 1400 West, Centerville, Utah 84014, benl@trugolflinks.com, 801-298-1997.

The terms of your contract will govern your franchise relationship. Do not rely on this disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document is available from the Federal Trade Commission ("FTC"). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580. You also can visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: May 29, 2025

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit E.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit B includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only TruGolf Links business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a TruGolf Links franchisee?	Item 20 or Exhibit E lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising Generally

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchised business or may harm your franchised business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchised business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by litigation or arbitration only in Utah. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to arbitrate or litigate with the franchisor in Utah than in your home state.

2. **Spousal Liability.** The franchise agreement may require your spouse (or domestic partner or other immediate family member) to sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

3. **Short Operating History**. The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

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

DISCLOSURES REQUIRED BY MICHIGAN LAW

To the extent the Michigan Franchise Investment Law, Mich. Comp. Laws §§445.1501 – 445.1546 applies, the terms of this Addendum apply.

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchised business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years, and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
CONSUMER PROTECTION DIVISION
Attention: Antitrust & Franchise
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48909
Telephone Number: (517) 373-7117

TABLE OF CONTENTS

ITEM **PAGE**

ITEM 1 THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES 8
ITEM 2 BUSINESS EXPERIENCE 11
ITEM 3 LITIGATION 12
ITEM 4 BANKRUPTCY 12
ITEM 5 INITIAL FEES 12
ITEM 6 OTHER FEES 14
ITEM 7 ESTIMATED INITIAL INVESTMENT 17
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES 21
ITEM 9 FRANCHISEE'S OBLIGATIONS 25
ITEM 10 FINANCING 26
ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING 26
ITEM 12 TERRITORY 37
ITEM 13 TRADEMARKS 40
ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION 41
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS 42
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL 43
ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION 43
ITEM 18 PUBLIC FIGURES 46
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS 46
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION 47
ITEM 21 FINANCIAL STATEMENTS 49
ITEM 22 CONTRACTS 49
ITEM 23 RECEIPTS 49

EXHIBITS

Exhibit A State Administrators and Agents for Service of Process
Exhibit B Financial Statements and Guarantee of Performance
Exhibit C Franchise Agreement
Exhibit D State Specific Addenda
Exhibit E Lists of Current and Former Franchisees
Exhibit F Form of General Release
Exhibit G Manual Table of Contents
Exhibit H Executive Addendum

State Effective Dates Third to Last Page
Receipts Last Two Pages

ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this franchise disclosure document ("Disclosure Document"), the terms "TruGolf Links," "we", "us", "our", or "Franchisor" mean TruGolf Links Franchising, LLC ("TruGolf Links"). The terms "you," "your," or "Franchisee" refer to the individual or business entity that acquires a franchise to operate a TruGolf Links franchised business. The terms "you" and "your" do not include any individual or business entity which owns an interest in you. We may require all individuals and business entities which own an interest in you to guarantee your obligations to us.

The Franchisor, Its Parent, Predecessors, and Affiliates

We are a Delaware limited liability company established on May 10, 2024. Our principal place of business is 60 N 1400 W, Centerville, Utah 84014. Our registered agent for service of process in Delaware is Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808. Our agents for service of process in the states which require franchise registration are listed in Exhibit A to this Disclosure Document. We conduct business under our corporate name TruGolf Links Franchising, LLC and under the TruGolf Links trade name. We do not do business under any other name. Our business is operating the TruGolf Links franchise system and granting franchises to third parties like you to develop and operate a facility. We began offering franchises for TruGolf Links franchised clubs (and for TruGolf Links regional developer businesses pursuant to a separate disclosure document) in May 2024. As of December 31, 2024, we had no regional developers operating in the United States. We previously granted licenses in 2024 to existing businesses that already owned one or more TruGolf simulator bays to display "Powered by TruGolf Links" signage in conjunction with their independent business name. As of December 31, 2024, there were two licensed "Powered by TruGolf Links" locations in the United States. We have not offered franchises in any other line of business, nor do we operate any business of the type being offered to you. We do not have any predecessors.

Our parent, TruGolf Holdings, Inc. (f/k/a Deep Medicine Acquisition Corp.) ("TruGolf Holdings"), is a Delaware corporation formed on July 8, 2020. TruGolf Holdings shares our principal business address. TruGolf Holdings has not in the past and does not now offer franchises in any lines of business.

Our affiliate, TruGolf, Inc., is a Nevada corporation formed on October 4, 1995. TruGolf, Inc. shares our principal business address. TruGolf, Inc. provides proprietary hardware and software, as well as other System Supplies, to our franchisees. It is also the owner of the Proprietary Marks. TruGolf, Inc. has not in the past and does not now offer franchises in any lines of business.

The Franchised Business

We license a system (the "System") for the operation of a TruGolf Links Center (each, a "Franchised Business" or "Center") featuring indoor golf and recreational sports simulators, tournaments, family activities, a limited menu of food and beverage accommodations, and the retail sale of TruGolf home simulators and equipment (the "Approved Services and Products") provided on-site from a retail location (the "Center Location"). The System includes Approved Services and Products that we currently designate and that we may modify, add to or discontinue from time to time, and the specifications, methods and procedures for developing and operating a Center and offering and providing Approved Services and Products. The System also features and requires, as designated by us, your exclusive use of our designated simulator equipment, gaming systems, gaming and tournament networks, apparel, food, beverages, food and beverage ingredients and packaging, and other items designated by us (collectively, the "System Supplies"). The System is presently identified by the TruGolf Links trademark, the TruGolf Links logo and other trademarks, service-marks, logotypes, and commercial symbols as we may designate, modify, and adopt from time to time for use in the System and as same may or may not be registered with the United

States Patent and Trademark Office (collectively referred to as the "Proprietary Marks"). You must develop and operate your Center in conformity with the requirements of our System, including the specifications, procedures, criteria and requirements that we designate in our confidential operations manual and other proprietary manuals that we may designate and, as we may supplement and modify from time to time (collectively, the "Manuals").

Each TruGolf Links Center operates according to our System, the distinguishing characteristics of which include, among other things, one or more specially-designed indoor facilities; site selection and layout criteria; distinctive interior and exterior image, design, décor, signage, color scheme, and furnishings, trade dress elements; proprietary products; standards, specifications, policies, and procedures for construction and management; quality, distinctiveness, and uniformity of products and services; standards, specifications, policies, and procedures for Franchised Business operations; training and assistance; and advertising and promotional programs, all as more particularly described and designated in the Manuals and all of which we may change, improve, and further develop at our option from time to time. We acquired the right to use and sublicense to franchisees the Proprietary Marks and the System under a license agreement with TruGolf Holdings and TruGolf, Inc.

We offer the right to operate one TruGolf Links Center using the System and Proprietary Marks at or from a physical premises located within the Service Area (defined below) under the terms of a single-unit franchise agreement (the "Franchise Agreement"), attached to this Disclosure Document as Exhibit C. Traditional TruGolf Links Centers are typically 3,500 to 5,000 square feet and feature five or more bays.

In the alternative to a traditional TruGolf Links Center, we also offer the right to operate a smaller, "executive" location known as a TruGolf Links Executive Center ("TruGolf Links Executive Center" or "Executive outlet") pursuant to our Franchise Agreement, as modified by our then-current form of Executive Addendum. The current form of Executive Addendum is attached to this Disclosure Document as Exhibit H. TruGolf Links Executive Centers are typically 1,000 to 3,000 square feet and feature two to four bays. Executive outlets may offer more limited food and/or beverage options. We reserve the right to limit the offering of franchises for TruGolf Links Executive Centers to existing franchisees, Regional Developers, or prospects who already own one or more TruGolf simulator bays acquired from our affiliate, TruGolf, Inc.

TruGolf Links Centers can be located in light industrial areas, retail centers, strip centers, flex office space or stand-alone buildings. Each location must have good lighting, ample parking, and be easily accessible for the general public and members. If, at the time you enter into the Franchise Agreement, a location for the Franchised Business has not been approved, you must lease, sublease, or acquire a site for your Franchised Business, subject to our approval, under a site selection addendum, which is attached to the Franchise Agreement ("Site Selection Addendum"). The procedures for finding, selecting, and receiving authorization for a location for the Franchised Business under the Site Selection Addendum are described in Item 11 of this Disclosure Document. You will operate your Franchised Business at a physical premises located within an area that is designated in the Franchise Agreement (the "Service Area"). Item 12 of this Disclosure Document, and the Franchise Agreement, will describe the rights that you and we will have regarding the Service Area.

You must operate your Franchised Business according to our standards and procedures, as set forth in our confidential brand standards manual and other manuals (the "Manuals"). We will lend you a copy of, or otherwise provide you access to, the Manuals (which may be in a digital format) for the duration of the Franchise Agreement. We may periodically change and improve the System, and you must promptly comply with all new or changed items.

We also offer an optional program (the "Regional Developer Program") under which a franchisee receives the right to identify and qualify potential TruGolf Links single-unit franchisees within a specified geographic area and thereafter provide support to franchisees. We have a separate disclosure document

and regional developer agreement ("Regional Developer Agreement") pertaining to our Regional Developer Program. If you participate in the Regional Developer Program, you must enter into a Regional Developer Agreement with us. Regional developers do not have management responsibility relating to the sale or operation of unit franchises. See Exhibit E for additional information regarding our existing regional developers.

Franchise Agreement

You may enter into a Franchise Agreement in the form attached to this Disclosure Document as Exhibit E to develop and operate one Center from a single Center Location within a designated territory. If you sign a Franchise Agreement, you will be required to develop and operate the Franchised Business in conformity with the requirements of our System and at a Center Location that we approve in writing. A Center will, ordinarily, be located in high traffic retail commercial locations. If you do not have an approved site for your Center Location, you must select a site in accordance with the Franchise Agreement and obtain our written approval of the Center Location. Your rights in the System will be limited to the establishment and operation of a single Center offering, selling, and/or providing only our Approved Services and Products from your approved Center Location and using only our System Supplies. Your Center must conform to the requirements of our System.

Market and Competition

The market for recreational and competitive athletic activities and facilities, including the golf simulation industry, is well developed and extremely competitive. The services offered by TruGolf Links are used by people of all ages and are not limited to any specific submarket. Your Franchised Business will have to compete with numerous businesses that sell, offer, and provide indoor and outdoor golf simulation, sports simulation, golf simulator hardware sales, and virtual sports tournaments. These competing businesses will include businesses that sell, offer, and provide golf simulation and related equipment, software, products, and services, as well as businesses that offer and provide sports simulation and virtual sports and gaming. Indoor golf facilities are subject to seasonal fluctuations comparable to other types of indoor athletic, fitness, or recreational facilities.

Industry Specific Laws and Regulations

In addition to the laws, regulations, and ordinances applicable to the businesses generally, like the Americans with Disabilities Act, federal wage and hour laws, and the Occupational Safety and Health Act, there may be regulations specific to the operation of a TruGolf Links in your state that, among other things, require you to maintain a certain ratio between supervisory employees and the number of customers at your TruGolf Links. You must comply with all local, state, and federal health and sanitation laws and regulations.

You should consult with your attorney and local, state, and federal government agencies before investing in a Franchised Business to determine all of the legal requirements that you must comply with and consider their impact on you and the cost of compliance. Building codes and requirements vary in different jurisdictions and it is important for you and your architect to be aware of and comply with all local laws as well as the federal laws, including the Americans with Disabilities Act. You may also be subject to certain health and safety requirements as well as licensing requirements in teaching and supervising children. Many states and municipalities have laws and regulations regarding business contracts with guests, operations, and licenses. Some state and local laws may regulate the length and terms of membership contracts, advertising, and limitations on pre-opening sales. You may also have to obtain a bond to protect pre-paid membership fees you collect and there may be buyer's remorse cancellation rights and other types of cancellation rights. There may be laws requiring you to have an employee at your Franchised Business who is certified in basic cardiopulmonary resuscitation or on the use of an automated external defibrillator. There may be a requirement that you must have certain types of first aid equipment on the premises such as an automated external defibrillator. You should check with your local attorney for advice on complying with

applicable law before you purchase a franchise and during the operation of your TruGolf Links Center. You must investigate and satisfy and stay current on all local, state, and federal laws and regulations since they vary from place to place and can change over time.

You should consider these laws and regulations when evaluating your purchase of a franchise.

ITEM 2
BUSINESS EXPERIENCE

Chief Executive Officer: Chris Jones

Chris has served as our CEO since our inception. He has also served as the CEO of TruGolf Holdings since its formation and of TruGolf, Inc. since 2007.

President: Nate Larsen

Nate has served as our President since May 2025. He previously served as our Vice President of Marketing from our inception to May 2025. He also serves as Chief Experience Officer for TruGolf, Inc. and has since October 2021. Prior to that, Nate was self-employed, in Salt Lake City, Utah as a brand and marketing consultant in the medical, forestry, and construction industry from January 2019 to October 2021.

Chief Development Officer: Dr. Ben Litalien, CFE

Dr. Litalien has served as our Chief Development Officer since our inception. He has been the Founder and President of Franchise Well, LLC in Stafford, Virginia, since October 2007. He has been Chief Development Officer and a member of the board for Dill Dinkers Holdings, Inc. since July 2023 and Chief Development Officer for Pups Pub Franchising, LLC since November 2023. He has been Chief Development Officer of fit20 USA Franchising, LLC since March 2018, and President since December 2022. He has been a director of Brain Balance Holdings, Inc. since June 2016 and a director of JIBU Holdings, L3C since January 2014. He has also been an Adjunct Associate Professor at The University of Maryland Global Campus in College Park, Maryland since October 2010. Additionally, Dr. Litalien serves as Adjunct Instructor at Georgetown University in Washington, D.C., where he has taught the franchise management certificate program since September 2008, and as Adjunct Facility at The University of Denver in Denver, Colorado, since July 2023. Except as otherwise stated, Dr. Litalien serves or served in the above positions from his offices in Fredericksburg, Virginia.

Vice President of Franchising: Andrew Johnson

Andrew has served as our Vice President of Franchising since our inception. He also serves as Senior Consultant for Franchise Well, LLC and has since February 2024. He also serves as Franchise Development Director for Big Air Franchising in Paradise Valley, Arizona and has since March 2023. From February 2022 to March 2023, Andrew served as Franchise Development Manager for Area 15 Ventures in Castle Rock, Colorado. From March 2019 to February 2022, he was a Business Development Consultant for American Express National Bank in Scottsdale, Arizona. Unless otherwise specified, he serves or served in the above positions from his office in Scottsdale, Arizona. Andrew earned his Canadian Tour PGA card and played professionally.

Director of Food and Beverage: Fred Pierson, CFE

Fred Pierson is our Director of Food & Beverage and has held this position since January 2024. Mr. Pierson has served as the President & CEO of RestaurantCAT, Inc. since March 2010. Mr. Pierson fulfills his position from his office located in Nashville, Tennessee.

Director of Franchise Training & Support: Dr. Rocco Rinaldi

Rocco has served as our Director of Franchise Training & Support since our inception. He has served as a Senior Franchise Consultant for Franchise Well, LLC since January 2020. He is also an assistant professor at Delaware Technical Community College since September 2021 and adjunct assistant professor at Wilmington University since November 2021. He serves in these positions from his office located in Middletown, Delaware.

Director of Franchise Marketing: Rebecca Church

Rebecca has served as our Director of Franchise Marketing since April 2024. She also has served as Chief Marketing Officer for Franchise Well, LLC since January 2020. She serves in these positions from Fredericksburg, Virginia.

Onboarding Manager: Michael Laatz

Michael has served as our Onboarding Manager since September 2024. Prior to joining us, he was the Onboarding Manager for Dill Dinkers Franchising, LLC, in Columbia, Maryland, from March 2023 to September 2024. Prior to that, he was a consultant for Franchise Well, LLC from January 2020 until March 2023. He serves in these positions from Morganton, Georgia.

Director of Information Systems: Christopher Burch

Chris has served as our Director of Information Systems since our inception. He also serves as Senior Project Manager for TruGolf, Inc. and has since April 2024. Prior to joining us, he was Director of Information Systems for OnSite Care, in Sandy, Utah, from July 2022 to April 2024. Prior to that, he was Sr. Director of Information Systems for Med USA, in Salt Lake City, Utah, from September 2017 to July 2022.

Customer Experience Manager: David Jeffery

David has served as our Customer Experience Manager since our inception. He also serves as the New Customer Experience Manager for TruGolf, Inc. and has since June 2023. Prior to that, he was the Sales Manager from November 2021 to June 2023 for TruGolf, Inc., and a Project Manager for TruGolf, Inc. from October 2019 to November 2021.

Unless otherwise specified, each position listed above is or was based in Centerville, Utah.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Initial Franchise Fee

When you sign a Franchise Agreement for a traditional Center, you will pay to us a non-refundable initial

franchise fee in the amount of $45,000 (the "Initial Franchise Fee"). The initial franchise fee for an Executive outlet is $22,500. The Initial Franchise Fee is fully earned by us upon payment. The method we use to calculate the Initial Franchise Fee is uniform for all franchises that we offer through this Disclosure Document.

Training Fee

When you sign the Franchise Agreement for a traditional Center, you will pay us a training fee of $7,500 ("Training Fee") for your Principal Trainees (defined in Item 11 below) to attend our initial training program ("Initial Training Program"). The Training Fee is reduced to $2,500 for an Executive outlet.

Grand Opening

If you will be operating a traditional Center, you must spend at least $15,000 ("Grand Opening Program Amount") for your Franchised Business's initial grand opening pursuant to a grand opening marketing plan that you and we will collaborate and agree upon ("Grand Opening Program"). If we require that you pay the Grand Opening Program Amount to us, we will use the Grand Opening Program Amount to develop and implement the Grand Opening Program for your Franchised Business. The Grand Opening Program may start prior to opening your Franchised Business and must be completed within 60 days after your Franchised Business commences operation. If we spend additional amounts on advertising as part of the Grand Opening Program, in amounts that you and we agree are part of the Grand Opening Program, you must reimburse us for the additional costs within 15 days after your receipt of notice from us. You may spend additional sums as you deem necessary or appropriate in connection with the opening of the Franchised Business. We estimate that you will spend $15,000 to $20,000 in connection with your Franchised Business's grand opening. There is no Grand Opening Program, and no Grand Opening Program Amount, in connection with an Executive outlet.

Site Review

The site you propose for your Franchised Business must be approved by us. If we determine that an on-site evaluation of a site you propose for your Franchised Business is appropriate, we may conduct a site review and you must reimburse us for all costs incurred by our representative in visiting the site, including travel, lodging, and meals. We estimate such costs will not exceed $1,500. Upon payment, these costs are non-refundable.

Technology Fee

If we require you to obtain or access any aspects of the Computer System or related technology systems, services, platforms, and software from or through us, you must pay us a monthly Technology Fee, as further detailed in Item 6. The current Technology Fee for a traditional Center is $1,350 per month, beginning in the month before you open your Franchised Business. The current Technology Fee for an Executive outlet is $750 per month, beginning in the month before you open your Franchised Business.

Furnishments, Fixtures, and Equipment (including Simulators)

If you will be operating a traditional Center, you are required to purchase five standard simulator bays from our affiliate, TruGolf, Inc., for $50,000 each or four standard simulator bays and one over-sized for our flagship model, which is $60,000. If you will be operating an Executive outlet, you are required to purchase at least two, and no more than four, standard simulator bays. All simulator bays must be purchased from TruGolf, Inc. You will also be required to purchase certain types of furniture, fixtures, and equipment for your Center, including golf equipment, tables, chairs, refrigeration, freezers, kitchen equipment, prep stations, and items for retail sales, from us, our approved manufacturers, and/or suppliers and/or subject to our specifications; however, Executive outlets are only required to purchase limited food or beverage equipment. Including the simulator bays, under the traditional offering, we estimate you will spend

$372,600 to $409,500 for furnishings, fixtures, and equipment in connection with a traditional Center or $0 (if you already own satisfactory TruGolf simulators) to $220,000 for furnishings, fixtures, and equipment in connection with an Executive outlet. Your payments for furnishings, fixtures, and equipment will be fully earned upon payment and are non-refundable.

Opening Inventory

You must purchase your opening inventory of certain System Supplies from a vendor we approved, which may be us, our affiliate, or a third-party vendor. For a traditional Center, we estimate that your initial opening inventory of System Supplies will range between $6,500 to $12,500. For an Executive outlet, we estimate that your initial opening inventory of System Supplies will range between $3,000 to $6,500. To the extent paid to us or our affiliate, your payments for initial opening inventory will be fully earned upon payment and are non-refundable.

The Initial Franchise Fee, Training Fee, Grand Opening Program Amount (if collected by us), Site Review reimbursements (if any), Technology Fee, and payments for furnishings, fixtures, equipment, and opening inventory are fully earned and non-refundable when paid, and, except as expressly noted above, are uniformly applied.

ITEM 6
OTHER FEES

Type of Fee [1]	Amount	Due Date	Remarks
Royalty Fee	6% of Gross Sales (or 4% for an Executive outlet).[2]	By the 15th of each month based upon the Gross Sales for the immediately preceding calendar month.	We may increase or otherwise adjust the Royalty Fee, provided we will not increase it by more than 0.5% during any 12-month period and the Royalty Fee will not exceed 8% of Gross Sales for a traditional outlet and 6% for an Executive outlet.
Brand Development Fund Contribution	Currently 0% of Gross Sales, but will be 1% upon establishment of Brand Development Fund[2, 3]	By the 15th of each month based upon the Gross Sales for the immediately preceding calendar month.	We may increase or otherwise adjust the Brand Development Fund Contribution, provided we will not increase it by more than 1% during any 12-month period and the Brand Development Fund Contribution will not exceed 5% of Gross Sales.
Local Advertising	3% of Gross Sales.[2, 4]	You must spend this minimum amount on local marketing during each month.	Payable to various third-party suppliers. (Note 4)
Technology Fee[5]	Then-current amount (currently $1,350 per month for a traditional outlet or $750 per month for an Executive outlet)	By the 15th of each month	Upon notice to you, we may increase or otherwise adjust this fee based on increases in our costs or changes in the technologies you must obtain through us.

Type of Fee [1]	Amount	Due Date	Remarks
Late Payment / Late Report Charges	$100 for each week or part of a week that any payment or report is late, and interest on such amount from the date it was due until paid at the lesser rate of 2% per month or the maximum rate permitted by law.	Immediately upon notice from us.	
Additional Training/Assistance	Our then-current fee for such assistance, which is currently $500 per day, plus reimbursement for actual expenses.	As incurred.	If you request that we provide on-site training in addition to the initial training, refresher training, and/or training after opening we may provide. Training fee is subject to change.
Transfer Fee	$10,000	The earlier of (a) when the transferee signs the new franchise agreement, or (b) when the transferee begins training.	Payable to us when you transfer the Franchise Agreement or your ownership interests thereunder.
Renewal Fee	25% of the then-current initial franchise fee for a new franchise at the time of renewal.	Prior to renewal.	Payable to us when you renew your franchise upon the execution of our then-current form of franchise agreement.
Local Marketing Cooperative Fee	Up to 3% of Gross Sales, as set by cooperative members.[2, 6]	As established by cooperative members.	The amount you pay will be credited to your to Local Advertising obligation.
Audit Fees and Expenses	Cost of audit, plus late fees.	Immediately after notice from us.	Payable only if the audit shows that you understated your Gross Sales by more than 2%.
Annual Convention	Our then-current convention registration fee (currently $250).[7]	Prior to convention or conference	
Liquidated Damages[8]	Based on formula. See note 8.	Within 10 days following effective date of termination	Payable to us as liquidated damages if we terminate the Franchise Agreement due to your default.
Insurance[9]	Reimbursement for cost of premiums, plus administrative fee of 18%	Upon demand	We have the right to obtain insurance on your behalf at your expense if your fail to purchase or renew your required insurance and provide proof of coverage to us.
Indemnification Costs	Actual legal damages, fees, costs, and expenses.	As incurred.	Payable if and when we incur costs in connection with a claim for which you are required to indemnify us. If we incur costs to inspect or correct any product or service as the result

Type of Fee [1]	Amount	Due Date	Remarks
			of your failure to satisfactorily respond to a customer complaint, you must reimburse us for our costs reasonably incurred to remedy the complaint.

NOTES

1. Unless otherwise noted, all fees are payable to us and non-refundable. At our option, all payments to us must be made via Electronic Funds Transfer ("EFT"). We uniformly impose the fees described above.

2. "Gross Sales" means all revenue from the provision of all services and products sold or performed by or for Franchisee in, at, from or away from the Franchised Business, or through or by means of the Franchised Business, and all other income of every kind and nature related to, derived from, or originating from the Franchised Business, whether from cash, check, credit card, debit card, barter or exchange, or other means, and irrespective of the collection thereof, and including, all member and customer fees and payments, including, without limitation, membership agreement fees, corporate/third party payor fees, and proceeds from any business interruption insurance. "Gross Sales" excludes (i) sales taxes, use taxes, and other similar taxes added to the sales price and collected from the member or customer and paid to the appropriate taxing authority; (ii) any bona fide refunds and credits that are actually provided to members or other customers; and (iii) receipts from the sale of used equipment.

3. We may establish a brand development fund ("Brand Development Fund"). Once we have established our Brand Development Fund, you will be required to contribute to the Brand Development Fund 1% of your monthly Gross Sales. Thereafter, the Brand Development Fund Contribution may be increased by no more than 1% of Gross Sales per year up to a maximum of 5% of Gross Sales.

4. Beginning when you commence operations of your Franchised Business, you must spend at least 3% of your monthly Gross Sales for local advertising, marketing, promotion, and social media engagement each month. Amounts you pay for the direct costs of purchasing and producing advertising materials (including, but not limited to, camera ready advertising and point-of-sale materials), media (space or time), and those direct out-of-pocket expenses related to costs of advertising and sales promotion spent by you in the Service Area, advertising agency fees and expenses, and postage, shipping, telephone, and photocopying charges related thereto, will count towards your monthly Local Advertising obligation. The amounts you will pay for Local Advertising will not include costs or expenses incurred by or on behalf of you in connection with: (a) salaries and expenses; (b) charitable, political, or other contributions or donations; and (c) the value of discounts provided to members and customers.

5. You must use our proprietary software in conducting the business of your franchise. The Technology Fee covers your access to certain technology systems, services, platforms, and software we require you to obtain or access through us, as we deem necessary and advisable, including, for example, licenses, subscriptions, development, maintenance, and/or access to our required point-of-sale software and platform, intranet, online ordering system, streaming music software, learning management system, and a TruGolf Links email address. We may make changes to the types, nature, and ultimate vendor of technology systems, services, platforms, and software we require you to obtain or access through us. Your precise monthly Technology Fee may change if there are changes in any cost or aspect of the technology systems, services, platforms, and software we

require you to obtain or access through us, or in our costs regarding such technology systems, services, platforms, and software.

6. Item 11 contains more information about Local Marketing Cooperatives.

7. We may conduct an annual convention that our franchisees are required to attend. You will be responsible for your and any approved attendees' costs and expenses to attend the convention, including transportation, meals, and lodging. We may charge a registration fee for franchisees to attend the annual convention, which registration fee is subject to change.

8. If we terminate the Franchise Agreement due to your default, you will pay us liquidated damages in an amount equal to the product of the average yearly amount of Royalty Fees paid during the 3 years immediately preceding the termination (or such period as the Franchised Business was open for business, if the Franchised Business was not open for business during the entire three-year period), multiplied by the lesser of 3 or the number of years remaining in the then-current term.

9. If you, for any reason, fail to obtain or maintain insurance required by your Franchise Agreement, as these requirements may be revised by us in the Manuals or otherwise in writing, we have the right and authority (but not the obligation) to immediately obtain such insurance and to charge the same to you, which charges, together with an administrative fee of 18%, will be payable by you immediately upon notice. Insurance costs are non-refundable. Insurance coverage requirements are uniformly imposed on all new franchisees. However, the costs of this coverage may not be uniform for all franchisees because premiums may vary according to the insurer, marketplace conditions, the location of the insured's premises, the insurance requirements of applicable law, and other factors.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

TRADITIONAL CENTER

Type of Expenditure[1]	Amount	Method of Payment	When Due	To Whom Paid
Initial Franchise Fee[2]	$45,000	Lump Sum	Upon signing Franchise Agreement	Us
Site Review	$0 - $1,500	Lump Sum	As Invoiced	Us
Training Fee & Expenses	$7,500 - $9,000	Lump Sum regarding Training Fee; Otherwise, As Agreed	Upon signing Franchise Agreement; As Agreed	Us; Third Parties
Architectural, Engineer, and Legal Counsel	$35,000 - $40,000	As Agreed	As Agreed	Vendors or Third Parties
Construction Management	$12,500 - $18,500	As Agreed	As Agreed	Vendors or Third Parties
Leasehold Improvements and Construction Costs[3]	$195,000 - $380,000	As Incurred	Prior to Opening	Various
Rent & Utility Deposit[4]	$8,000 - $20,000	As incurred	As incurred	Various

Type of Expenditure[1]	Amount	Method of Payment	When Due	To Whom Paid
Signage, Graphics, & Interior Décor Items[5]	$11,000 - $24,000	As Incurred	Prior to Opening	Vendors or Third Parties
Furnishings, Fixtures, and Equipment, including Simulators[6]	$372,600 - $409,500	As Agreed	As Agreed	TruGolf, Inc. and Vendors (which may include us, our affiliates, or Third Parties)
Computer, Software, Website, Point-of-Sale System[7]	$16,750 - $19,750	As Incurred	Prior to Opening	Vendors
Insurance (3 months)[8]	$6,000 - $9,300	As Arranged	As Agreed	Vendors
Initial Inventory[9]	$6,500 - $12,500	Lump Sump	Prior to Opening	Us, our Affiliates, or Third-Party Vendors
Grand Opening Marketing[10]	$15,000 - $20,000	Various	As Incurred	Various (which may include Us)
Additional Funds – Initial 3 Months[11]	$25,000 - $40,000	Various	As Incurred	Various
TOTAL[12]	**$764,745 - $1,280,750**			

EXECUTIVE CENTER

Type of Expenditure[1]	Amount	Method of Payment	When Due	To Whom Paid
Initial Franchise Fee[2]	$22,500	Lump Sum	Upon signing Franchise Agreement	Us
Site Review	$0 - $1,500	Lump Sum	As Invoiced	Us
Training Fee & Expenses	$2,500 - $4,000	Lump Sum regarding Training Fee; Otherwise, As Agreed	Upon signing Franchise Agreement; As Agreed	Us; Third Parties
Architectural, Engineer, and Legal Counsel	$5,000 - $15,000	As Agreed	As Agreed	Vendors or Third Parties
Leasehold Improvements and Construction Costs[3]	$79,500 - $129,650	As Incurred	Prior to Opening	Various
Rent & Utility Deposit[4]	$2,000 - $4,000	As incurred	As incurred	Various
Signage, Graphics, & Interior Décor Items[5]	$2,500 - $9,500	As Incurred	Prior to Opening	Vendors or Third Parties

Furnishings, Fixtures, and Equipment, including Simulators[6]	$0 - $220,000	As Agreed	As Agreed	TruGolf, Inc. and Vendors (which may include us, our affiliates, or Third Parties)
Computer, Software, Website, Point-of-Sale System[7]	$9,500 - $11,000	As Incurred	Prior to Opening	Vendors
Insurance (3 mos)[8]	$2,500 - $4,000	As Arranged	As Agreed	Vendors
Initial Inventory[9]	$3,000 - $6,500	Lump Sump	Prior to Opening	Us, our Affiliates, or Third-Party Vendors
Additional Funds – Initial 3 Months[11]	$15,000 - $25,000	Various	As Incurred	Various
TOTAL[12]	**$144,000 - $452,650**			

NOTES

1. We prepared these estimates based on the general experience of our officers and directors in connection with other branded concepts in the United States. Inflation, tariffs, and worldwide events may impact various costs, including, among others, furnishings, fixtures, signs, décor items, building costs, technology, and equipment. We have no obligation to refund any costs paid to us. Whether any third party will refund any costs will depend on the third party involved. We recommend that you consult an attorney of your own choosing to review this Disclosure Document and the Franchise Agreement, as well as an independent accountant to review the attached financial statements, before signing the Franchise Agreement.

2. The Initial Franchise Fee, Site Review Fee, and Initial Training Fee are described in Item 5. You will be responsible for other expenses incurred in connection with training, including the costs of transportation, lodging, meals, wages, workers' compensation insurance.

3. Construction and Leasehold Improvements – This estimate is for the cost of construction, construction management and build-out of TruGolf Links Center but does not including furniture, fixtures and equipment. Our estimates are based on the assumption that the typical square footage of a traditional Center ranges from 3,500 to 5,000 square feet, and that the typical square footage of an Executive outlet ranges from 1,000 to 3,000 square feet. These estimates are based on the assumption that the location that you select for your Center is a site delivered to you at a pre-existing stage where existing interior improvements consist of installed and functional heating/cooling with delivery systems, essential lighting, electrical switches and outlets, lavatories, a finished ceiling, walls prepared for painting and a concrete slab floor. This estimate does not include architectural fees or other fees charged by licensed professionals other than general contractors and licensed tradesmen and do not include any special heating cooling or ductwork required by a center. The costs for developing your Center may be higher or lower than the estimates provided.

4. Rent and Utility Deposits (3 Months) - You must operate your TruGolf Links Center from a Center Location that we approve and complies with state and local laws. If you do not already own or lease a suitable location, you will be required to lease a location that meets our standards and is approved by us. This estimate is based on the assumption that you will be leasing your TruGolf Links Center

Location and is for the estimated amount of the initial lease deposit that you will be required to pay to the landlord at the time of signing your lease and before opening your Center. The estimate is based on the assumption that your lease deposit will be equal to two months of rent payments. The typical square footage for a traditional Center ranges from 3,500 to 5,000 square feet, and that the typical square footage of an Executive outlet ranges from 1,000 to 3,000 square feet. The amount of your lease deposit is something that you will directly negotiate with the landlord and will vary significantly based on a number of factors that include location and your own negotiations. This estimate does not include the purchase of real property should you elect to purchase the real property of your Center Location. To secure the appropriate utilities required for the operation of your Center, including gas, electric, water, sewer and internet access, you will be required to pay upfront deposits to each applicable utility company.

5. Signage – You are required to purchase, subject to our design and construction specifications and approval, interior and exterior signs and displays that we designate. This estimate is for the cost to produce wall signage to be mounted to the outside of the building as well as all interior signage. This estimate includes other elements of brand identification within the Center such as wall graphics, wayfinding signs and decor.

6. Furniture, Fixtures, and Equipment – If you will be operating a traditional Center, you are required to purchase five standard simulator bays from TruGolf, Inc. for $50,000 each or four standard simulator bays and one over-sized for our flagship model, which is $60,000. Under the Executive Offering, you are required to purchase at least two, and no more than four standard simulator bays, or up to three simulator bays, and one over-sized. If you will be operating an Executive outlet, you are required to purchase at least two, and no more than four, standard simulator bays. All simulator bays must be purchased from TruGolf, Inc. You will also be required to purchase certain types of furniture, fixtures, and equipment for your Center. Among other things, you will be required to purchase golf equipment, tables, chairs, refrigeration, freezers, kitchen equipment, prep stations, and items for retail sales from us, our approved manufacturers, and/or suppliers and/or subject to our specifications. The costs for furniture and fixtures may differ depending on the material quality and on other factors. Significant factors that will influence and will increase the cost of furniture, fixtures and equipment will depend on the size of your Center. The costs listed here do not include any transportation or set up costs. This estimate assumes that the equipment will be purchased. Third party financing may be available for qualified candidates for some of the leasehold improvement costs, however, with such financing comes associated costs and fees which will cause the cost to exceed what is indicated in this table.

7. Computer, Software and Point of Sale System – You will be required to purchase, license and use the point-of-sale systems, golf simulation software, ordering systems, and applications that we designate. Information about the point of sale and computer systems are disclosed in Item 11 of this Disclosure Document. In addition, beginning in the month before you open your Franchised Business, you must begin paying the month Technology Fee described in Item 6 in exchange for obtaining or accessing any aspects of the Computer System or related technology systems, services, platforms, and software from or through us. The current Technology Fee is $1,350 per month in connection with a traditional Center, and $750 a month in connection with an Executive outlet.

8. Insurance Deposits (3 Three Months) – You are required to maintain certain insurance coverage. Your actual payments for insurance and the timing of those payments will be determined based on your agreement with your insurance company and agent. This estimate is for the cost of an initial deposit in order to obtain the minimum required insurance and we estimate this deposit to be equal to the amount of three months of monthly insurance premium payments. We recommend that you consult with your insurance agent before signing a Franchise Agreement.

9. Initial Inventory – Your initial inventory comprised of small wares, uniforms, supplies, and pro shop items such as apparel, and your on-going inventory and supplies (including System Supplies) that you are required to obtain from us, our affiliate, or from our designated suppliers are paid for at standard prices and terms and your ongoing inventory must be purchased from either us or our approved vendors.

10. Grand Opening Marketing Expense – You must spend a minimum of $15,000 prior to the opening your Center to promote the grand opening of your traditional Center. You must submit your grand opening marketing plan to us for our pre-approval. There is no Grand Opening Program, and no Grand Opening Program Amount, in connection with an Executive outlet

11. Additional Funds – This is an estimate of the minimum recommended levels of additional funds that may be required to cover operating expenses such as employee salaries, inventory, rent, and utilities only for the initial three-month period following the opening of your Center. This estimate does not include compensation to you or your owners and does not include interest, finance charges, or payments that may be incurred by you if you financed the development of your Center. This is only an estimate for your initial three months of operations and more working capital and additional funds may be required depending on the sales and performance of your Center. Before signing a Franchise Agreement, you should consult with your accountant and advisor to budget and determine the amount of additional funds that should be reserved and set aside by you to support and capitalize the long-term operations of your Center. We base the estimate on the personal experiences of our directors and officers (including Dr. Litalien) with other branded concepts developed and operated throughout the United States for other franchise brands and quotes we received from approved suppliers.

12. About Your Estimated Initial Investment – This is an estimate of the initial start-up expenses for a TruGolf Links Center. These are only estimates and your costs and, the range of those costs, may vary. Factors that may influence your costs include: the size of your Center; local geographic market and economic conditions including rent, labor, and construction rates; local licensing costs; competition; the facilities and existing build-out of the Center Location that you select; landlord funded tenant improvements and allowances; the capabilities of your management team; and the level of sales achieved by your Center. These estimates do not include interest and financing charges that you may incur and they do not include management level compensation payable to you or your owners. You should carefully review these estimates with your business, accounting and legal advisors before making any decision to sign a Franchise Agreement. These estimates are for one Center only. If you sign a Multi-Unit Development Agreement, the estimated amount will be required for each Center that you develop.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases and Operation Standards

You must develop your Franchised Business premises and purchase, lease, license, and install and use all equipment, food products, beverages, supplies, fixtures, furnishings, computer, audio-visual, and point-of-sale systems, décor, signs, goods, uniforms, stationery, memorabilia, and merchandise and items intended for retail sales (whether or not bearing the Proprietary Marks), payment processing services, music services, advertising materials and services, and other products and services for your Franchised Business according to our standards and specifications, contained in the Manuals or that we otherwise provide in writing, solely from the suppliers we have approved in writing (which may be us or our affiliate), unless you have first obtained our written consent to do otherwise. We may modify our standards and specifications from time to time. We will notify you of any changes to our standards and specifications.

Generally, you must purchase all goods, products, inventory, supplies, foodstuffs, beverages, packaging materials, signage, furniture, fixtures, equipment, uniforms, stationery, paper goods, business card, forms, and computer hardware and software used to operate or furnish your Franchised Business from approved suppliers who demonstrate the ability to meet our standards and specifications and whom we have approved in writing.

In the operation of your Franchised Business, you are required to use only displays, trays, boxes, bags, wrapping paper, labels, forms, and other paper and plastic products imprinted with our Proprietary Marks in accordance with our then-current standards and specifications. You may purchase items and services for which we have not identified approved suppliers from any supplier, if the items and services meet our minimum standards and specifications. These standards and specifications will be communicated to you in the Manuals and may include brand requirements. If brand requirements have been identified, you may purchase and use only approved brands. We will provide our current standards and specifications to approved suppliers. We may modify our standards and specifications, as well as the other standards and specifications discussed in this Item 8, by providing you with written notification.

You must maintain all your equipment, signage, decorations, fixtures, furnishings, and leasehold improvements used in connection with your facility in good order and repair. Additionally, you must promptly replace your equipment, signage, decorations, fixtures, furnishing, and leasehold improvements as they become worn, damaged, obsolete, out of style or mechanically impaired. As applicable, you may enter into preventative maintenance programs as further described in the Manual.

You must purchase your TruGolf simulators from our affiliate, TruGolf, Inc.

Except for your obligation to purchase TruGolf simulators from our affiliate, TruGolf, Inc., which is currently the only approved source for such required items, and your obligation to access certain aspects of your Computer System through us, neither we nor any of our affiliates are currently an approved or sole supplier of any goods or services, though we and our affiliates may be designated as approved or required suppliers in the future. We may appoint only one supplier (or a limited number of suppliers) for any particular good or service, and we may designate ourselves or our affiliate as the only supplier, or one of a limited number of suppliers, for any goods or services. We will provide you with a list of approved suppliers before you open your Franchise Business, which list we may update from time to time. Some suppliers may require you to enter into a separate agreement with them.

In connection with your local marketing, you must use advertising, promotional, and marketing materials that we have prepared or approved, and you must use a national or regional advertising agency acceptable to us. We have obtained a toll-free telephone number (1-888-TGLinks or 1-888-845-4657), and you may be required to promote the central telephone number in some or all of your advertising and marketing.

You or your accounting advisor must report all financials to us using our designated chart of accounts and accounting format. You also need to use such other bookkeeping services and professionals and/or software services as are approved by us to satisfy the bookkeeping and reporting requirements described in the Franchise Agreement. We currently require you to use QuickBooks Online and set it up using our designated chart of accounts.

Except for certain officers' interest in us and our affiliate, TruGolf, Inc., none of our officers own an interest in any other required or approved supplier, although we reserve the right in the future to designate, as an approved supplier, any supplier (which may be us or our affiliate) in which any of our officers owns an interest.

We estimate that the costs of your purchases from designated or approved sources or according to our standards and specifications will represent approximately 90% to 100% of the total cost of establishing your Franchised Business and approximately 90% to 100% of the total cost of operating your Franchised Business after that time.

Approval of Alternative Products, Services, and Suppliers

If you desire to purchase any unapproved products or services or purchase any products or services from a supplier not previously approved, you must obtain our prior written approval. In determining whether to approve any products, services, or supplier, we consider various factors, including, for example: for products and services, those that meet our then-current standards and specifications, and for suppliers, suppliers who (i) can demonstrate the ability to meet our then-current standards and specifications for such products and services; (ii) possess adequate quality controls and capacity to supply your needs promptly and reliably; (iii) enable the network of TruGolf Links Centers to take advantage of marketplace efficiencies; and (iv) have been approved in writing by us prior to any purchases of such supplier's products or services by franchisees. The criteria we use in approving suppliers are available to franchisees upon written request.

As a condition to granting approval for any unapproved products or services, or any products or services from an unapproved supplier, you must first submit to us a written request for such approval. Before giving our approval, we may ask the supplier to provide samples of materials they wish to provide to you, and we may investigate the ability of the supplier to provide materials that meet our specifications. We or our representatives may inspect the unapproved products or services, or in the case of an unapproved supplier, the supplier's facilities, and may require samples of the products be delivered, either to us or to an independent laboratory we designate for testing. For approval of suppliers, we may also require that the supplier comply with such other requirements we may deem appropriate, including reimbursement of our actual costs associated with our review, payment of reasonable continuing inspection fees and administrative costs, or other payment to us by the supplier on account of their dealings with you or other franchisees. If we elect to inspect the proposed supplier's facilities or test samples, the proposed supplier must pay a fee not to exceed the reasonable cost of the inspection and the actual cost of the test. We do not impose any fee upon you for such an investigation. We anticipate we will tell you within 30 days of our inspection, testing, or receipt of other information from the proposed supplier whether or not the proposed supplier will be approved. We may reinspect from time to time the facilities and products or services of any approved supplier and revoke our approval upon the supplier's failure to continue to meet any of our then-current criteria or does not cooperate with us in our periodic re-approval process. Our determination regarding approval or disapproval is final.

Computer System, Software, and Other Technology

You must purchase, lease, license, and/or subscribe to solely from suppliers that we approve in writing (which may be us or our affiliate) a Computer System (as defined in Item 11 below) that meets our specifications, which are further detailed in Item 11, including any required hardware and software indicated in the Manuals. We may require that you purchase, lease, license, and/or subscribe to additional hardware, software, or other technology systems, services, or platforms we specify, meeting our minimum specifications, including any proprietary or customized software that we may develop or have developed on our behalf. You must maintain the latest available version of any required software.

If we require you to obtain or access any aspects of the Computer System or related technology systems, services, platforms, and software from or through us, you must pay us a monthly Technology Fee, as further detailed in Item 6. The current Technology Fee is $1,350 per month in connection with a traditional Center and $750 per month in connection with an Executive outlet. We currently require you to obtain or access our required point-of-sale software and platform, intranet, online ordering system, streaming music software, learning management system, and a TruGolf Links email address from or through us. We may make changes to the types, nature, and ultimate vendor of any aspect of the Computer System or any technology systems, services, platforms, and software we require you to obtain or access from or through us. Your precise monthly Technology Fee may change if there are changes in any aspect of the Computer System or in the technology systems, services, platforms, and software we require you to obtain or access from or through us, or in our costs regarding such technology systems, services, platforms, and software.

Insurance

You must obtain and maintain at your own expense insurance policies with insurers reasonably satisfactory to us covering the items specified in the Franchise Agreement and/or Manuals, including comprehensive general liability, all risk property and casualty, fire, business income and extra expense, automobile liability, workers' compensation, commercial umbrella liability, products liability, cyber liability, and employment practices. We may change the insurance coverages and policies we require from time to time. Each insurance policy must be issued by an issuer we approve, who must have an A.M. Best Rating of not less than "A" and an A.M. Best Class rating of not less than "xiv." These policies must be primary and non-contributory to any policies we might carry and include a waiver of subrogation in our favor. The policies must list us and our affiliates, and our and their officers, directors, employees, partners, members, subsidiaries, employees and agents as additional named insureds. The policies must provide that we will receive at least 30 days' written notice of cancellation, material change or removal, or non-renewal. You must deliver to us (and in the future maintain on file with us) valid and current certificates of insurance showing that all required insurance is in full force and effect, or any other evidence of coverage that we may require, 30 days prior to commencement of any activities or operations pursuant to the Franchise Agreement, 30 days prior to the expiration or renewal of any such policy, on each anniversary of the effective date of the Franchise Agreement, and from time to time upon written request from us. If you do not provide proof of insurance to us as required under the Franchise Agreement, we may secure insurance for you and charge the actual cost to you plus an administrative fee equal to 18% of such costs. We require you to obtain the following coverages and amounts:

Insurance Policy Type	**Required Coverage**
Comprehensive General Liability	$2 million aggregate for bodily injury liability and property damage/$1 million per occurrence
Fire	100% of replacement value of premises
Business Income and Extra Expense	Amount required to pay for monthly rent reserved under lease or sublease for a limit of 50% of annual sales or 12 months actual loss
Automobile Liability	$1 million per occurrence for bodily injury and property damage
Workers' Compensation and Employers' Liability	Statutory workers compensation; $1 million per accident/$1 million by disease policy limit/$1 million by disease each accident
Commercial Umbrella Liability	Amount with limits which bring the total of all primary underlying coverages to $3 million
Property	Coverage for direct physical loss or damage to real and personal property for all risk perils
Products Liability	$1 million
Liquor Liability	Separate coverage for liquor liability (commonly referred to as Dram Shop Liability) with limits of not less than $1,000,000 single limit per occurrence
Cyber Liability	Amount we designate (currently $1 million)
Employment Practices	$1 million for employment-related wrongful acts, including $100,000 for third party coverage and wage and hour defense costs

Other	Any other coverage required by federal, state, or municipal law

Revenue from Franchisee Purchases

Our affiliate, TruGolf, Inc., will derive revenue from the sale of required golf simulators to franchisees. We do not currently derive revenue or other material consideration from required purchases or leases by franchisees; however, we and our affiliates may become an approved or required supplier and earn revenue from franchisees' required purchases or leases in the future. In the fiscal year ended December 31, 2024, neither we nor our affiliates derived revenue or other material consideration from required purchases or leases by franchisees.

We and our affiliates do not currently receive payments, rebates, commissions, marketing or promotional allowances, discounts, and/or other consideration from suppliers based on franchisees' purchases from such approved suppliers; however, we and our affiliates reserve the right to do so in the future. If that occurs, we and/or our affiliates may retain all of the rebates, payments, commissions, allowances, discounts, or other consideration we or they are paid, and have the right to use these amounts without restriction (unless we or our affiliates agree otherwise with the supplier) for any purpose we or our affiliates deem appropriate.

Cooperatives

We currently have no purchasing or distribution cooperatives, but we reserve the right to establish such cooperatives in the future.

Negotiated Prices

We may negotiate system-wide purchase arrangements with our designated or approved suppliers, including price terms, for the benefit of the TruGolf Links System, including us and company- or affiliate-owned TruGolf Links Centers and franchised TruGolf Links Centers.

Material Benefits

You do not receive any material benefits from us, other than prices that we may have negotiated, as a result of your use of our designated or approved suppliers.

ITEM 9
FRANCHISEE'S OBLIGATIONS

The following table lists your principal obligations under the Franchise Agreement. It will help you find more detailed information about your obligations in the Franchise Agreement and in other items of this Disclosure Document.

Obligation	Section in Franchise Agreement (FA)	Item(s) in Disclosure Document
a. Location selection and acquisition/lease	FA – 1.1, 1.2 and Exhibit B – Site Selection Addendum	7 and 11
b. Pre-opening purchases/leases	FA – 5.1	7, 8 and 11
c. Location development and other pre-opening requirements	FA – 5.1 and 5.2	5, 6, 7, 8 and 11
d. Initial and ongoing training	FA – 5.4	7 and 11
e. Opening	FA – 5.3	7 and 11
f. Fees	FA – 3	5, 6 and 7

Obligation	Section in Franchise Agreement (FA)	Item(s) in Disclosure Document
g. Compliance with standards, policies and manuals	FA – 5	8 and 11
h. Trademarks and proprietary information	FA – 8, 9 and 10	13 and 14
i. Restrictions on products and services offered	FA – 5.12	16
j. Warranty and customer service requirements	FA – 5.4 and 5.6	Not Applicable
k. Territorial development and sales quotas	FA – 1 and Exhibit B – Site Selection Addendum	12
l. Ongoing product and service purchases	FA – 4 and 5.12	8
m. Maintenance, appearance and remodeling requirements	FA – 5.7–5.11	11
n. Insurance	FA – 11	6, 8
o. Advertising	FA – 6 and 8	11
p. Indemnification	FA – 16	Not Applicable
q. Owner's participation, management and staffing	FA – 5.6 and 5.26	11 and 15
r. Records and reports	FA – 5.18 and 7	Not Applicable
s. Inspections and audits	FA – 5.17, 5.13 and 7.4	6
t. Transfer	FA – 12	6 and 17
u. Renewal	FA – 2	17
v. Post-termination obligations	FA – 14	17
w. Non-competition covenants	FA – 10 and Exhibit F – Non-Disclosure Agreement	17
x. Dispute resolution	FA – 17	17

ITEM 10
FINANCING

Neither we nor any of our affiliates offer, directly or indirectly, any financing arrangements to our franchisees. We do not guarantee your notes, leases, or other obligations.

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

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

Pre-Opening Obligations

Before you open your Franchised Business, we will provide the following assistance:

1. Designate your Service Area at the time you sign your Franchise Agreement. (Franchise Agreement, Section 1.2, Exhibit A).

2. Provide a copy of our standard construction/build-out package, as we may modify from time to time, including plans and specifications, site criteria, and sample site plans. We will also provide you a copy of our specifications for the furniture, fixtures, furnishings, equipment, signs, and other

property that we may specify for use in a TruGolf Links Center. You must adapt those plans and specifications, at your expense, for use at the location of the Franchised Business designated in Exhibit A to the Franchise Agreement. (Franchise Agreement, Section 4.1).

3. Provide site selection criteria and, as you may request, a reasonable amount of counseling and assistance with respect to the criteria. We will also provide such on-site evaluation as we may deem advisable as part of our evaluation of your request for site approval. (Franchise Agreement, Section 1.1, Exhibit B).

4. Review your site information and confirm the acceptability of your site subject to our minimum standards and specifications. Selecting the site is your responsibility. Factors considered in selection and confirmation of a site include population, traffic count, foot traffic, accessibility, visibility, demographics, and competition in the area. (Franchise Agreement, Section 1.1, Exhibit B).

5. Provide a list of approved suppliers. (Franchise Agreement, Section 5.12)

6. Provide pre-opening training to your Operating Principal and General (or another management-level employee whom we approve), at such times and places we designate for our training programs, together with any ongoing training we may, from time to time, deem appropriate. (Franchise Agreement, Sections 4.2, 5.4.1).

7. Provide you pre-opening and opening supervision and assistance as we deem advisable. (Franchise Agreement, Section 4.3).

8. Permit you to use the TruGolf Links trademarks, service marks, and the System, in accordance with our requirements. (Franchise Agreement, Section 8).

9. Loan to you or otherwise provide you access to our Manuals, which we may revise from time to time. (Franchise Agreement, Section 4.4).

Continuing Obligations

During the operation of your Franchised Business, we will provide the following assistance:

1. Provide ongoing training as we deem appropriate during the term of the Franchise Agreement. (Franchise Agreement, Section 4.2).

2. Loan to you or otherwise provide you access to our Manuals, which we may revise from time to time. (Franchise Agreement, Section 4.4).

3. Provide you with merchandising, marketing, and other related advice as we deem advisable and as we may develop from time to time. (Franchise Agreement, Section 4.5).

4. Provide periodic individual or group advice, consultation, and assistance, rendered by personal visit, telephone, mail or e-mail from time to time as we deem advisable. (Franchise Agreement, Section 4.6).

5. Provide you with bulletins, intranet information, brochures and reports we may publish from time to time as we deem advisable. (Franchise Agreement, Section 4.7).

6. Once established, administer the Brand Development Fund. (Franchise Agreement, Section 6.2).

7. Permit you to use the TruGolf Links trademarks, service marks, and the System, in accordance with our requirements. (Franchise Agreement, Section 8).

Location Selection and Opening

We grant each franchise for a specific location. You will select the proposed location for your Franchised Business. We generally do not own, or lease to you, the real estate for your location. We must approve the location for your Franchised Business, and we may grant or withhold our consent of the location of the Franchised Business at our sole option. If you have not obtained a location for the Franchised Business at the time of execution of the Franchise Agreement, you must obtain a location for the Franchised Business in accordance with the Site Selection Addendum, which will be executed at the time you execute your Franchise Agreement. The Site Selection Addendum will identify the geographic area in which you may search for a site (the "Site Selection Area").

To obtain our approval for a proposed location, you must submit to us a site selection package containing all information that we request relating to the location you propose. We may conduct on-site visits for any proposed site, but we are not obligated to do so. You will reimburse us for our actual expenses incurred in connection with all on-site visits, including travel, lodging, and meals. We estimate such costs will not exceed $1,500. We will have 30 days after receipt of a complete site selection package and request for approval to approve or disapprove the proposed site. If we do not approve a proposed site by written notice within 30 days after receipt of all relevant information, the site will be deemed disapproved. If we do not receive all relevant information within 30 days after your initial submission of the location, the location will be deemed rejected. The factors that we consider in reviewing your proposed location include demographics of the market area for the location (including the population, population density, and income level of residents in the market area); the general character of the neighborhood; traffic patterns; access and visibility from adjoining roads or highways; lot size, configuration, and other physical attributes of the location; parking accommodations and ratios established by local zoning ordinances; tenant mix; competition from other businesses; proximity to residential neighborhoods; and proximity to schools, shopping centers, entertainment facilities and other businesses that attract consumers and generate traffic.

Within 60 days after we approve your proposed site, you must execute a lease (which will be coterminous with the term of the Franchise Agreement) or purchase agreement regarding the site. If you will lease the premises for the Franchised Business, we must review the terms of the lease before you sign it. You are solely responsible for negotiating a lease for the premises. Our consent to any lease is conditioned upon inclusion of our Addendum to Lease into the lease. Our current form of Addendum to Lease is attached to the Franchise Agreement as Exhibit G. If your landlord refuses to agree to our Addendum to Lease, we may disapprove the lease, in which case you must find a new site for your Franchised Business.

If you will be operating a traditional Center, we expect 6 to 9 months to elapse between the signing of the Franchise Agreement, or the first payment of any consideration for the franchise, and the opening of your business. If you will be operating an Executive outlet, we expect 2 to 4 months to elapse between the signing of the Franchise Agreement, or the first payment of any consideration for the franchise, and the opening of your business. The factors affecting that length of time are expected to include time for obtaining financing arrangements, time for obtaining permits, construction time for the building and related improvements, local ordinance compliance, and delivery and installation of furniture, fixtures, equipment, and signs. If you have obtained an approved location for the Franchised Business at the time of execution of the Franchise Agreement, you must open the Franchised Business or business to the public within 120 days after the date you sign the Franchise Agreement. If you have not obtained a location for the Franchised Business at the time you sign the Franchise Agreement, you must open the Franchised Business 180 days from the later of our approval of the location for the Franchised Business, or your access to the leased premises as permitted by your landlord under the lease. You may request an extension of these deadlines, which we may grant at our option, if you experience delays beyond your reasonable control in connection

with obtaining necessary permits. Your failure to timely open will constitute an event of default under the Franchise Agreement, for which we may terminate your franchise.

Advertising and Promotion

The Brand Development Fund

As of the date of this Disclosure Document, we have not yet established a Brand Development Fund, but we reserve the right to do so. We anticipate establishing a Brand Development Fund following the opening of the twentieth TruGolf Links franchise location. We have no obligation to conduct advertising or spend any amount on advertising in the area or territory where you are located, except through the Brand Development Fund once established, and we will reference your Franchised Business on the brand's website (www.trugolflinks.com) once you open.

Once established, we will administer and maintain the Brand Development Fund as follows:

1. You must pay us a monthly Brand Development Fund contribution fee equal to 1% of the preceding month's Gross Sales. We may increase this contribution amount by up to 1% of Gross Sales per year, but in no event will the contribution amount exceed 5% of Gross Sales during the term of the Franchise Agreement.

2. We may direct all advertising programs conducted by the Brand Development Fund, including the concept, materials, vendors, and media used in the programs and the placement and allocation of the programs. The Brand Development Fund is intended to maximize general public recognition, acceptance, and use of the System, and to test various marketing techniques, strategies, and advertising materials. We have the final right to approve all advertising vendors and materials. We are not obligated, in administering the Brand Development Fund, to make expenditures for you which are equivalent or proportionate to your contribution, to ensure that any particular franchisee benefits directly or pro rata from expenditures by the Brand Development Fund. We may engage a third party to manage or help manage the Brand Development Fund.

3. The Brand Development Fund, and all contributions to and earnings from the Brand Development Fund, will be used only (except as otherwise provided below) to meet any and all costs of maintaining, administering, directing, conducting, creating, and/or otherwise preparing brand development, advertising, marketing, public relations and promotional programs and materials, and any other activities that we believe will enhance the image of the System. This includes, among other things, the costs of preparing and/or conducting media advertising campaigns, social media campaigns, direct mail advertising, marketing surveys and other public relations activities; brand research and development; developing and hosting marketing, brand development and enhancement, and member and customer engagement seminars for franchisees; purchasing promotional items; developing new or modified trade dress and marks; point of purchase (POP) materials; design and photographs; conducting and administering visual merchandising, and other merchandising programs; purchasing media space or time (including all associated fees and expenses); administering regional and multi-regional marketing and advertising programs; market research and member/customer satisfaction surveys; developing and implementing member and customer loyalty and gif card programs; member and customer retention programs; the creative development of, and actual production associated with, premium items, giveaways, promotions, contests, public relation events, and charitable or non-profit events; developing, implementing and maintaining an electronic commerce website and/or related strategies; maintaining and developing one or more websites devoted to the System, the Proprietary Marks, and/or the "TruGolf Links" brand; providing

promotional and other marketing materials and services to the TruGolf Links Centers operated under the System; the salaries of employees of us or our affiliate to the extent such employees provide services in conjunction with System marketing activities; the fees or costs of any third party engaged to manage or help manage the Brand Development Fund; and all administrative and internal costs and expenses incurred in connection with the above. Media coverage may be national, regional, or local, and may be prepared by us in-house or by an advertising agency.

4. Although we intend to use the monies to develop advertising and marketing materials and programs and to place advertising that will benefit the entire network of TruGolf Links Centers, we have no obligation to use the contributions made from your Franchised Business or from the TruGolf Links Centers in your area for advertising in the area in which your Franchised Business operates. We cannot assure you that your Franchised Business will benefit directly or in proportion to your contribution.

5. The Brand Development Fund will not be audited. After the Brand Development Fund has been established, we or our affiliate will prepare an unaudited annual statement of monies collected and costs incurred by the Brand Development Fund during the prior year. We will furnish the statement to you upon your written request once per year.

6. TruGolf Links Centers owned by us or our affiliates will contribute to the Brand Development Fund at the same rate as franchisees.

7. We will not use any portion of the Brand Development Fund for marketing that is principally a solicitation for the sale of franchises.

8. Although the Brand Development Fund is intended to be of perpetual duration once established, we have the right to terminate it. We will not terminate the Brand Development Fund until all monies in it have been expended for advertising or other purposes outlined above or returned to its contributors in the manner and amounts we determine.

9. Any unspent contributions to the Brand Development Fund are carried forward to the next fiscal year. (Franchise Agreement, Section 6.2.)

Grand Opening Program and Initial Marketing

In addition to your payment of the Brand Development Fund Fee and any expenditures for local advertising and promotion, you must spend at least $15,000 (the "Grand Opening Program Amount") for the Franchised Business's Grand Opening Program. If we require that you pay the Grand Opening Program Amount to us, we will use the Grand Opening Program Amount to develop and implement the Grand Opening Program for your Franchised Business. The Grand Opening Program may start prior to opening your Franchised Business and must be completed within 60 days after your Franchised Business commences operation. If we spend additional amounts on advertising as part of the Grand Opening Program, in amounts that you and we agree are part of the Grand Opening Program, you must reimburse us for the additional costs within 15 days after your receipt of notice from us. You may spend additional sums as you deem necessary or appropriate in connection with the opening of the Franchised Business. We estimate that you will spend $15,000 to $20,000 in connection with your Franchised Business's grand opening. (Franchise Agreement, Section 6.1.)

Local Marketing Cooperative

We have not yet established any local marketing cooperatives but reserve the right to do so. We may establish a local or regional marketing cooperative for any geographic area in which a TruGolf Links Center

is located ("Local Marketing Cooperative"). If a Local Marketing Cooperative for your area is established at the time you commence operations at your Franchised Business, then you must immediately join that Local Marketing Cooperative. If a Local Marketing Cooperative for your area is established after the time you commence operations at your Franchised Business, then you must join the new Local Marketing Cooperative within 30 days after the Local Marketing Cooperative commences operations. You will not be required to be a member of more than one Local Marketing Cooperative for your Franchised Business. We may change, dissolve, or merge any Local Marketing Cooperative. The purpose of the Local Marketing Cooperative is to conduct marketing campaigns for the TruGolf Links Centers located in that geographic area.

If you are a member of a Local Marketing Cooperative, you will contribute up to 3% of the preceding month's Gross Sales to the Local Marketing Cooperative (as determined by cooperative members). Any amount you pay toward the Local Marketing Cooperative Fee will be credited to your Local Advertising obligation (as described below) up to 2% of Gross Sales.

The following provisions will apply to each Local Marketing Cooperative (if and when organized):

1. Local Marketing Cooperatives will be organized and governed in the form and manner that we approve in advance, including any "Cooperative Advertising Guidelines" published and updated from time to time in the Manuals. Unless we specify otherwise, the activities carried on by each Local Marketing Cooperative will be decided by a majority vote of its members. Each TruGolf Links Center owner (including us or our affiliate) will be entitled to cast one vote for each TruGolf Links Center owned that is part of the Local Marketing Cooperative.

2. Local Marketing Cooperatives will be organized for the exclusive purpose of administering regional marketing programs and developing (subject to our approval) standardized promotional materials for use by the members in local advertising.

3. Local Marketing Cooperatives may not use advertising, promotional plans, or materials without our prior written approval, as described below.

4. You must submit your required contribution to the Local Marketing Cooperative at the same time as payments are required for royalties and the Brand Development Fund Contribution, together with the statements and reports that may be required by us or by the Local Marketing Cooperative, with our written approval. If we request in writing, you must submit your payments and reports for the Local Marketing Cooperative directly to us and we will distribute the money and reports to the Local Marketing Cooperative.

5. Although, if established, a Local Marketing Cooperative is intended to be of perpetual duration, we may terminate any Local Marketing Cooperative. A Local Marketing Cooperative will not be terminated, however, until all monies in that Local Marketing Cooperative have been expended for marketing or promotional purposes or returned to its members.

6. TruGolf Links Centers owned by us or our affiliates will contribute to the Local Marketing Cooperative if established in their geographic areas at the same rate as franchisees. (Franchise Agreement, Section 6.5)

Local Advertising

You must spend at least 3% of Gross Sales per month on local advertising, marketing, promotion, and social media engagement ("Local Advertising"). All of your local advertising and promotion must be conducted in the media, type, and format that we have approved, must be conducted in a dignified manner, and must

conform to our standards and requirements. You must comply with all of our written instructions, policies, procedures, and restrictions regarding advertising and marketing within the Service Area (including, for example, rules regarding honoring of gift certificates and promotions). You may not advertise, market, promote, or conduct other Local Advertising outside of your Service Area. You may not use any marketing or promotional plans (either in connection with local advertising and promotion, or any Local Marketing Cooperative) that we have not approved in writing, as set forth below. On a quarterly basis, you must provide us with a written report or summary regarding your Local Advertising expenditures during the prior calendar quarter. (Franchise Agreement, Sections 6.3, 6.4.)

The term "Local Advertising" consists only of direct costs of purchasing and producing local advertising, marketing, promotion, and social media engagement, including for advertising materials (such as camera-ready advertising and point-of-sale materials), media (space or time), and your direct out-of-pocket expenses related to costs of advertising and sales promotion in your Service Area, associated advertising agency fees and expenses, as well as postage, shipping, telephone, and photocopying costs related thereto. Local Advertising does not, however, include any of the following:

(a) salaries and expenses of your employees, including salaries or expenses for attendance at advertising meetings or activities, or incentives provided or offered to your employees, including discount coupons;

(b) charitable, political, or other contributions or donations, whether in cash or services, unless otherwise approved; or

(c) the value of discounts given to consumers.

Approval of Advertising Materials

For all proposed Local Advertising that we did not prepare or previously approve, you will submit samples of plans and materials to us for our review and prior written approval at least 30 days prior to their use. If you do not receive written approval from us within 15 days after the date of our receipt of such samples or materials, we will be deemed to have approved the proposed Local Advertising. You must purchase your advertising, marketing, and promotional materials through a media buyer, advertising company, or other vendor we designate or approved. We may require you to promote the System's central toll-free telephone number (1-888.TGLinks or 1-888-4657) and/or website (www.trugolflinks.com).

Advertising Council

There is currently no advertising council of the date of this Disclosure Document. We may establish an advertising council in the future. If established, we may form, change, dissolve, or merge any advertising council.

Pricing

We may provide advice and guidance to you regarding establishing prices. In addition, we reserve the right to establish minimum and/or maximum prices you may charge for products and services, as permitted by law. If we establish maximum or minimum prices, you will charge prices no higher than the maximum prices we specify and no lower than the minimum prices we specify. Subject to your compliance with any minimum and/or maximum prices we specify, you may determine your local pricing strategy and are not obligated to follow your advice or recommendations. (Franchise Agreement, Section 5.24.)

Memberships

We reserve the right to establish a maximum number of memberships you can sell, as outlined in the Manuals, to ensure that the TruGolf Links members have reasonable access to simulator reservations.

Computer Systems

You will purchase, lease, license, and/or subscribe to, and thereafter maintain, the certain brands, types, makes, and/or models of communications, computer systems, computer software, and hardware that meets our specifications and/or that we require, including: (a) back office and point-of-sale systems ("POS System"), operating system, learning management system, data, audio, video, and voice storage, retrieval, and transmission systems; (b) physical, electronic, and other security systems; (c) printers and other peripheral devices; (d) archival back-up systems; (e) e-mail systems; and (f) Internet access mode and speed (collectively, the "Computer System"). We may designate ourselves or our affiliate as the only, or one of a limited number of, suppliers for all or part of your Computer System. We expect that the total cost to purchase, lease, or license the Computer System (including the POS System) will range from $21,000 to $27,000. Except for the POS System, we do not currently require or recommend any particular supplier for computer equipment and you may purchase computer equipment from any supplier you choose.

You must comply with our requirements, specifications, and policies concerning the use of technology, as they may be specified in the Franchise Agreement, or specified or modified in the Manuals or otherwise in writing. Such purchase may include the purchase of software licenses and the entry into such software license agreements as we may prescribe. You are prohibited from changing or modifying the software package we designate for your use and you will be bound by the terms of any license agreement that comes with the software.

Neither we nor our affiliates have any obligation to provide ongoing maintenance, repairs, upgrades, or updates. You should determine for yourself whether or not any third-party supplier from whom you purchase any component of your Computer System is obligated to provide ongoing maintenance, repairs, upgrades or updates to any component of your Computer System and determine the cost for these services.

You must pay us a monthly Technology Fee if we require you to obtain or access any aspects of the Computer System or related technology systems, services, platforms, and software from or through us. The current Technology Fee is $1,350 per month in connection with a traditional Center and $750 per month in connection with an Executive outlet. We currently require you to obtain or access our required POS System's software and platform, brand website (www.trugolflinks.com), intranet, online ordering system, streaming music software, learning management system, and a TruGolf Links email address from or through us. As part of our franchisee intranet, we have obtained private, secure sites on the Internet, which are available to TruGolf Links franchisees, 24 hours per day, 7 days per week. The franchisee intranet allows you and other franchisees to send e-mail to our staff, post and respond to questions and view other responses in question-and-answer forums, view and print news items, download files and software updates, update and order business forms, order products you will use in the operation of your business, conduct background checks on prospective employees, and access training courses and materials for you and your employees. We will provide you with a specific TruGolf Links email address that you must use to communicate with us and operate the Franchised Business. We may make changes to the types, nature, and ultimate vendor of any aspect of the Computer System or any technology systems, services, platforms, and software we require you to obtain or access from or through us. Your precise monthly Technology Fee may change if there are changes in any aspect of the Computer System or in the technology systems, services, platforms, and software we require you to obtain or access from or through us, or in our costs regarding such technology systems, services, platforms, and software.

In addition, we require that you subscribe to QuickBooks Online, an accounting software program. The current cost of a QuickBooks Online subscription is approximately $75 per month.

You may not obtain or maintain your website, domain name, or online presence, separate from the brand website we maintain, which contains anything related to the TruGolf Links franchise, business, approved services, or any of our trademarks or service marks, without our express written approval.

You must install and maintain a hardware and software firewall device on your POS System that satisfies then-current Payment Card Industry (PCI) DSS merchant requirements as stated on the http://www.pcisecuritystandards.org. The POS System must be segmented from other internal venue networks. We may suggest third party PCI compliance vendors to you, but you are solely responsible for your own PCI compliance at your Franchised Business.

You must upgrade or update your Computer System, including the purchase of additional equipment, if necessary, as specified by us from time to time to improve the overall effectiveness and competitiveness of your business. There is no contractual limitation on the frequency and costs of such obligations. You will be solely responsible for the cost of ongoing maintenance, updating, upgrading, and support contracts for the Computer System. Neither we, our affiliates, nor any third parties are responsible for such costs or for providing ongoing maintenance, repairs, upgrades or updates to your Computer System. We estimate your annual cost of maintenance, updating, upgrading, and support contracts related to the Computer System will not exceed $4,000. The precise cost of maintenance, updating, upgrading, and support contracts related to the Computer System cannot be estimated at this time because it will depend on, among other factors, your repair history, local costs of computer maintenance and service in your area, and technological advances that we cannot predict.

You must grant us access to all financial information generated and stored in your Computer System. We may independently access your Computer System remotely at any time to retrieve and use any electronic data and information from your Computer System (including the POS System), consult with you on problems you may be experiencing, and download information to update your software. There are no contractual limitations on our right to access such information.

Remodeling and Upgrades

We may require you to remodel, replace and redecorate in and upon your premises and equipment as we may deem necessary, but no more than once the expiration of every 5-year period following the opening of the Franchised Business for business with the public. The expenditure to remodel the Franchised Business will be capped at $125,000. You must also make, from time to time, the upgrades and other changes to the Computer System and electronic equipment utilized in the Franchised Business as we may request in writing ("Equipment Upgrades"). The cost for such Equipment Upgrades will be determined solely by the manufacturer or support provider. We may require any Equipment Upgrades we deem necessary for your Franchised Business. Other than as stated in this paragraph or described in the Franchise Agreement or Manuals, there are no other limitations on our ability to require you to upgrade your Franchised Business.

Manuals

We will loan you one copy of the Manuals, which you will access through our proprietary franchisee portal. The Manuals contain mandatory and suggested specifications, standards, operating procedures, programs, and rules we prescribe periodically, as well as information relative to your obligations under the Franchise Agreement and the development and operation of your Franchised Business. The table of contents for our Brand Standards Manual is attached to this Disclosure Document as Exhibit G. The Brand Standards Manual contains 85 pages. If there is a dispute relating to the contents of the Manuals, the then-current version we posted on the franchisee portal will be controlling. The Manuals contain confidential information, and you agree not to copy any part of it or distribute it to anyone outside your Franchised Business.

Training

Your Operating Principal and General Manager (or, if your Operating Principal and General Manager are the same person, your Operating Principal and one other of your management-level employees as approved

by us) (collectively, the "Principal Trainees") must attend and successfully complete our initial training program to our satisfaction before your Franchised Business opens and commences operations.

The initial training program will include online pre-training, in-person classroom training, and on-site training. We intend to provide you access to the online pre-training within 10 days after you sign your Franchise Agreement. Your Principal Trainees must complete the online pre-training before attending the in-person classroom training. In-person classroom training will take place in Centerville, Utah or at another training facility or location we designate. Classroom training will typically begin on a Monday and is expected to last up to ten business days. The on-site phase of the training will be conducted in your Service Area and is expected to last at least six business days. The Principal Trainees must complete the classroom portion of our initial training program at least 30 days before the Franchised Business opens, while on-site training will occur within the 30 days before the Franchised Business opens. The Principal Trainees must complete all phases of the initial training program to our satisfaction before the Franchised Business opens. Classroom and on-site trainings are expected to be held at least monthly or as needed. The initial training if you will be operating an Executive outlet is similar to the initial training in connection with traditional Centers, but certain sections of the training are shorter due to the modified nature of Executive outlets, such as the removal of certain food and beverage capability from Executive outlets.

As consideration for initial training of your Principal Trainees, you will pay us a Training Fee upon execution of the Franchise Agreement in the amount of $7,500 if you will be operating a traditional Center and in the amount of $2,500 if you will be operating an Executive outlet. Except for the initial training fee, we do not charge a training fee payable for the above-described initial training. However, you must pay for all costs and expenses, like salaries, wages, supplies, rooms, meals, and transportation for your attendees participating in the training program.

The following tables summarize the subjects taught during our initial training program:

TRAINING PROGRAM – TRADITIONAL CENTER

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Introduction / Orientation	1	0	Centerville, Utah (or another location we designate); Online
History / Brand	1	0	Centerville, Utah (or another location we designate); Online
Industry Breakdown	1	0	Centerville, Utah (or another location we designate); Online
Franchise Policies (Support & Reporting)	2-4	2	Centerville, Utah (or another location we designate); Online
Operations (The Program)	3-6	4	Centerville, Utah (or another location we designate); Online
Operations (The Facility)	1-3	2	Centerville, Utah (or another location we designate); Online

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Technology	4-5	6	Centerville, Utah (or another location we designate); Online
Marketing / Grand Opening	6	6	Centerville, Utah (or another location we designate); Online
Vendors / Suppliers	1	0	Centerville, Utah (or another location we designate); Online
TruGolfware / Memberships	4	4	Centerville, Utah (or another location we designate); Online
TOTAL	**24-32**	**24**	

TRAINING PROGRAM – EXECUTIVE CENTER

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Introduction / Orientation	1	0	Centerville, Utah (or another location we designate); Online
History / Brand	1	0	Centerville, Utah (or another location we designate); Online
Industry Breakdown	1	0	Centerville, Utah (or another location we designate); Online
Franchise Policies (Support & Reporting)	1	2	Centerville, Utah (or another location we designate); Online
Operations (The Program)	2	4	Centerville, Utah (or another location we designate); Online
Operations (The Facility)	4	2	Centerville, Utah (or another location we designate); Online
Technology	4	3	Centerville, Utah (or another location we designate); Online
Marketing / Grand Opening	5	3	Centerville, Utah (or another location we designate); Online

Vendors / Suppliers	1	0	Centerville, Utah (or another location we designate); Online
TruGolfware / Memberships	4	2	Centerville, Utah (or another location we designate); Online
TOTAL	**24**	**16**	

Our training programs are overseen by Dr. Rocco Rinaldi, our Director of Franchisee Support. Dr. Rinaldi has over 21 years of franchisee training, operations, and support experience, and has been with TruGolf Links since July 2023. We may use additional, or substitute instructors as needed, at our discretion. The training materials include our Manuals and other proprietary TruGolf Links materials that will be provided. Details of instruction and times for particular sessions may vary according to availability of staff, areas of concentration needed by trainees, and other factors.

We may require the Principal Trainees to attend refresher courses, seminars, and other training programs as we may reasonably specify from time to time. Franchisee must pay Franchisor's then-current per diem fee for such training as set forth in the Manual or otherwise in writing. You will be solely responsible for any costs and expenses of you and your personnel to attend any such ongoing, additional, or refresher courses, seminars, and other training programs, including transportation, meals, and lodging.

We anticipate holding an annual convention each year. Your Operating Principal and/or General Manager must attend any annual convention. Subject to our prior written approval, up to three others of your employees may attend the annual convention. We may, at our option, hold other periodic national or regional conferences or meeting, and may require some or all of your Principal Trainees to attend. We reserve the right to charge a registration fee for each convention or conference. If attendance at a convention or conference is mandatory, you will be changed our then-current registration fee even if you or personnel fail to attend. In addition, you will be solely responsible for the costs of your and your approved attendees' expenses for attending any convention, conference, or meeting, including transportation, meals, and lodging.

We may, but are not required to, provide you and your employees with additional training at your request. If you request additional training for services or ancillary services outside the scope of our training regimen and we agree to provide such training, we may charge additional fees for such additional training or consulting services. Currently, we charge a daily fee of $500 plus expenses for any special assistance you request, however we reserve the right to change this fee. You will be expected to cover all out-of-pocket expenses (if any) for you and your employees to participate in such additional training, including transportation, meals, and lodging.

ITEM 12
TERRITORY

The Franchise Agreement grants you the right to operate one Franchised Business at or from a single physical premises, selected by you and approved by us, within the Service Area. If an approved location has not been identified when you execute the Franchise Agreement, a Site Selection Addendum to the Franchise Agreement will identify the geographic area in which you may search for a site (the "Site Selection Area"). The exact size of the Site Selection Area will be agreed upon by you and us before the Franchise Agreement is executed. Once determined and/or approved by us, we will list the Franchised Business's approved location and Service Area (described below) on Exhibit A of the Franchise Agreement.

You are required to operate the Franchised Business only at the location we approve. You may not operate the Franchised Business or offer or sell any products or services at or from any location other than the

approved location identified in Exhibit A of the Franchise Agreement. You may only market and solicit customers for your Franchised Business within your Service Area. You may not market or solicit customers outside of your Service Area without our prior written permission. As described below, we may offer and sell products and services through other channels of distribution, including the Internet, within the Service Area, under the Proprietary Marks or under different trademarks, without compensation to you. You are not permitted to provide goods or services through other channels of distribution, such as the Internet or in any form of social media or make sales outside of your physical premises located within the Service Area, except as otherwise described in the Franchise Agreement.

When the Franchise Agreement is signed, you will be assigned a non-exclusive geographic area ("Service Area"). The Service Area will be the area defined by zip codes or other geographic boundaries in Exhibit A to the Franchise Agreement, excluding Alternative Points of Distribution (defined below). We will determine the Service Area based on several factors, including, among other factors, the population base; density of population; growth trends of population; apparent degree of affluence of population; the density of residential and business entities; your experience and qualifications; the reach of mass media marketing, such as radio or television; traffic generators, driving times; and major topographical features which clearly define contiguous areas, like rivers, mountains, major freeways, and underdeveloped land areas. For a traditional Center, the Service Area will typically encompass a population of at least 25,000 people, but the ultimate size of your Service Area may vary from that of other franchisees based on the various factors noted above. For an Executive outlet, the Service Area will typically encompass a population of at least 10,000 people, but the ultimate size of your Service Area may vary from that of other franchisees based on the various factors noted above.

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

As long as you are in compliance with the Franchise Agreement, we will not operate or license others to operate a TruGolf Links Center at a physical premises located within the Service Area (subject to the reservations and limitations described below) during the term of your Franchise Agreement. Except as expressly limited by the previous sentence, we and our affiliates retain all rights with respect to TruGolf Links Centers, other branded, co-branded, or multi-branded businesses, the Proprietary Marks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire, without compensation to you. Specifically, we, our affiliates, and anyone we authorize, retain the following rights:

1. Advertise and promote the TruGolf Links brand and System within and outside of the Service Area.

2. Operate, and license others to operate, TruGolf Links Centers at any location outside the Service Area, including at locations that are adjacent to the Service Area and despite the proximity of such TruGolf Links Centers to the Service Area or your Franchised Business or their actual or threatened impact on sales at your Franchised Business.

3. Sell or authorize others to sell TruGolf Links products and services to members and customers within and outside the Service Area through Alternative Points of Distribution, which include outlets (whether mobile or fixed, permanent, or temporary) located on military bases, institutional outlets (including college campuses, hospitals and school lunch programs), fairs, athletic contests, or other special events, convenience stores, casinos, airports, and larger retail outlets, toll roads, limited access highways, schools, universities, enclosed shopping malls, hotels, industrial or government facilities, amusement or theme park complexes, train stations, bus stations, or other transportation facilities, and other locations owned or operated by major institutions with sites throughout the country or a particular state, or any other outlet and to use the System in connection with those Alternative Points of Distribution.

4. Offer and sell, or license others to offer and sell, any products or services (including those offered by the Franchised Business), under any marks (including the Proprietary Marks) outside of the Service Area, and through any means (including through a TruGolf Links Center);

5. Offer and sell, and authorize others to offer and sell, approved products and services, including those offered, sold, or used at the Franchised Business (such as simulators, equipment, paraphrenia, clothing, and other branded merchandise and memorabilia), under the Proprietary Marks or other marks at or from any location or through any channel of distribution (including, but not limited to, retail stores, infomercials, catalogs, the Internet, e-commerce, direct response marketing campaigns, or similar marketing channels or initiatives);

6. Establish, operate, and license others to establish and operate, businesses other than TruGolf Links Centers, which businesses may be identified by other trademarks, and/or may offer or sell products and services that are the same as or similar to the products and services offered by TruGolf Links Centers, within and outside of the Service Area and despite the proximity of such businesses to the Service Area or your Franchised Business or their actual or threatened impact on sales at your Franchised Business;

7. Develop or become associated with other concepts (including other franchise systems), whether or not using the System and/or the Proprietary Marks, and/or offer or sell franchises under such concepts for locations within and outside of the Service Area;

8. Acquire, be acquired by, merge, affiliate with, or engage in any transaction with other businesses (whether competitive or not) with outlets located anywhere and, even if such businesses are located in the Service Area; (i) convert the other businesses to TruGolf Links Centers, (ii) permit the other businesses to continue to operate under another name, and/or (iii) permit the businesses to operate under another name and convert existing TruGolf Links Centers to such other name;

9. Engage in any other activity, action, or undertaking that we or our affiliates are not expressly prohibited from taking under the Franchise Agreement.

You may not relocate your Franchised Business without our prior written consent. We have not established conditions under which we will approve the relocation of a franchise because we believe relocations will occur very rarely. If you wish to relocate your Franchised Business, you must request to do so in writing. We anticipate that we will approve or deny any such request, subject to reasonable conditions we may impose, within 60 days of the time you submit your request. If we approve a relocation, you must comply with our then-current site selection and construction standards. We have not established conditions under which we will approve your establishment of additional TruGolf Links Centers. The Franchise Agreement does not grant you options, rights of first refusal, or similar rights to acquire additional TruGolf Links Centers.

Neither we nor any affiliate currently operates, franchises, or plans to operate or franchise any business under a different trademark that offers or sells, or will offer or sell, services or products similar to those of TruGolf Links Centers, but we and our affiliates have the right to do so under the Franchise Agreement.

The continuation of your rights within the Service Area under the Franchise Agreement does not depend on the achievement of a certain sales volume, market penetration, or any other contingency. If you commit a material breach of the Franchise Agreement that entitles us to terminate the Franchise Agreement, we may, in lieu of termination, modify or eliminate the Service Area. The restrictions on our right to operate in your Service Area do not apply to any TruGolf Links Center existing or under development on the date the Franchise Agreement is signed. We are not required to pay you if we or our affiliates exercise any of the rights specified above inside or outside your Service Area.

ITEM 13
TRADEMARKS

We grant you the right to operate a Franchised Business under the name "TruGolf Links" and to use the Proprietary Marks that we designate for the operation of your Franchised Business.

Our affiliate, TruGolf, Inc., owns the following Proprietary Marks on the Principal Register of the United States Patent and Trademark Office ("USPTO"). TruGolf, Inc. has renewed or intends to renew the registrations for the Marks listed below. All required affidavits have been filed.

Mark	Registration Number	Registration Date
TruGolf	1787407	August 10, 1993
TruGolf Links	7725096	March 11, 2025

There is no presently effective determination of the USPTO, the trademark administrator of any state, or any court, and no pending interference, opposition, or cancellation proceeding or any pending material litigation involving the Proprietary Marks.

There is no presently effective determination of the USPTO, the trademark administrator of any state, or any court, and no pending interference, opposition, or cancellation proceeding or any pending material litigation involving the Proprietary Marks.

Our rights to the Proprietary Marks and System are derived from a sublicense between us, TruGolf Holdings, and TruGolf, Inc. ("License Agreement"). Between them, TruGolf Holdings and TruGolf, Inc. own the intellectual property regarding the System. The License Agreement grants us the right to use the Proprietary Marks and System, and to sublicense the use of the Proprietary Marks and System, in connection with the development and operation of TruGolf Links Centers and regional developer businesses, and the advertising, marketing, and promotion of the services and products that TruGolf Links Centers offer. The License Agreement has an initial ten-year term and then automatically renews for successive one-year periods unless and until terminated for uncured material defaults. If the License Agreement is terminated, any sublicense to use the Proprietary Marks and System granted to our franchisees and regional developers will continue in effect until the termination or expiration of such sublicense; that is, TruGolf Holdings and TruGolf, Inc. will be deemed to directly license the Proprietary Marks and System to any franchisees and regional developers subject to the terms of the applicable sublicense with the franchisee or regional developer (including any franchise agreement or regional developer agreement).

We know of no superior prior rights or infringing use that could materially affect your use of the Proprietary Marks, and we know of no other agreements currently in effect that significantly limit our rights to use or license the use of the Proprietary Marks in any manner material to you.

You must promptly notify us of any unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to our ownership of, right to use and to license others to use, or your right to use, the Proprietary Marks. As between you and us, we have the right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement. As between you and us, we also have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. We have no obligation to protect or defend your right to use the Proprietary Marks or protect you against claims of infringement or unfair competition arising out of your use of the Proprietary Marks, although we intend to do so when in the best interest of the System. If we undertake the defense or prosecution of any litigation concerning the Proprietary Marks, you must

sign any documents and do the things as may, in our counsel's opinion, be necessary to carry out that defense or prosecution, such as becoming a nominal party to any legal action. Unless the litigation is the result of your use of the Proprietary Marks in a manner inconsistent with the terms of the Franchise Agreement, we will reimburse you for your out-of-pocket costs in doing these things (although you will still be responsible for the salary costs of your employees) and we will bear the costs of any judgment or settlement. However, if the litigation results from your use of the Proprietary Marks in a manner inconsistent with the terms of the Franchise Agreement, then you must reimburse us for the cost of the litigation, including attorneys' fees, as well as the cost of any judgment or settlement. We do not have to indemnify you against, or reimburse you for, any damages in any proceeding arising out of the use of any name or Proprietary Mark or for any costs incurred by you in the defense of any of those claims.

We may substitute different marks for use in identifying the System and the businesses operating under it. You must bear the costs of modifying your signs and advertising materials to conform to our new Proprietary Marks as a result of this substitution.

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Our affiliate, TruGolf, Inc., owns U.S. patents and patent applications that relate to the simulation of the flight path of a golf ball, which technology is used in the TruGolf simulators used in TruGolf Links Centers. U.S. Patent No. 11,167,203, which is a utility patent entitled "System, Method, and Apparatus for Golf Simulation," was issued to TruGolf, Inc. on November 9, 2021. In addition, TruGolf, Inc. owns pending patent application U.S. Application No. 17/735,886, which is a utility patent application filed on May 3, 2022, entitled "System for Automatic Equipment ID and Performance Evaluation and Related Methods."

There is no presently effective determination of the USPTO or any court regarding any patent, and no pending proceeding or any pending material litigation involving any patent. We have no obligation to protect or defend any patents, although we anticipate that TruGolf, Inc. will do so when in the best interest of the System and TruGolf Links brand. Finally, we know of no infringing uses that could materially affect you.

We do not own any copyrights and do not have any pending copyright applications that are material to the franchise. However, we or our affiliate, TruGolf, Inc., claim copyright protection and proprietary rights in the original materials used in the System, including our Manuals, bulletins, correspondence, and communications with our franchisees, training, advertising, and promotional materials, and other written materials relating to the operation of TruGolf Links Centers and the System.

We consider the Manuals and related materials to be confidential and proprietary. You may use them only in the operation of your Franchised Business as provided in the Franchise Agreement. You may not use our and our affiliate's confidential and proprietary information in any unauthorized manner and must take reasonable steps to prevent its disclosure to others. Your right to use those materials continues as long as the Franchise Agreement remains in effect.

Our rights to use and sublicense the intellectual property regarding the System, including any patents and Manuals, are derived from the License Agreement described in Item 13. The License Agreement has an initial ten-year term and then automatically renews for successive one-year periods unless and until terminated for uncured material defaults. If the License Agreement is terminated, any sublicense to use the relevant intellectual property granted to our franchisees and regional developers will continue in effect until the termination or expiration of such sublicense; that is, TruGolf Holdings and TruGolf, Inc. will be deemed to directly license such intellectual property to any franchisees and regional developers subject to the terms of the applicable sublicense with the franchisee or regional developer (including any franchise agreement or regional developer agreement).

Neither the United States Copyright Office nor any court has made any currently effective determinations regarding any of our copyrighted materials. We have no agreements in effect that significantly limit our right to use or license the use of our copyrighted materials. We have no obligation to protect or defend our copyrights or confidential information, although we intend to do so when in the best interest of the System. Finally, we know of no infringing uses that could materially affect your use of our copyrighted materials in any state.

During the term of the Franchise Agreement, you will receive information that we consider to be our trade secrets and confidential information, including confidential information, trade secrets, knowledge, or know how concerning the System or the methods of operation of your Franchised Business, which may be communicated to you or which you may be apprised of by virtue of your operation under the terms of the Franchise Agreement ("Confidential Information"). You may only divulge Confidential Information to your owners, directors, members, officers, managers, or employees as must have access to it in order to operate your Franchised Business. Your employees who may have access to our Confidential Information must sign a confidentiality agreement. Our current form of confidentiality agreement is attached to the Franchise Agreement as Exhibit F. You will be liable for any unauthorized disclosure of our Confidential Information by your principals, employees, and agents. Upon expiration, non-renewal, or termination of a Franchise Agreement, you must immediately stop using the Confidential Information in any business or otherwise and must return all proprietary or confidential materials to us.

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

We do not require you to participate personally in the direct operation of your Franchised Business, provided you have designated an Operating Principal in an ownership position to participate, but we do recommend it. In any case, your designated Operating Principal must participate personally in the direct operation of your TruGolf Links Center, though, with our consent, your TruGolf Links Center may be under the day-to-day supervision of an approved General Manager. You (or your designated Operating Principal) must attend and satisfactorily complete the initial training program conducted by us as described in Item 11. To ensure a consistent brand experience, we require that your Operating Principal be approved by us and (1) have at least two years of management experience in the operation of a retail business or athletic facility, (2) have an equity interest of at least 5% in the business, if you are a legal entity, and (3) live no more than a two-hour drive from your Franchised Business. You will control and be solely responsible for the day-to-day operation of your Franchised Business and the terms and conditions and employment of your personnel, including the soliciting, hiring, firing, disciplining, paying, scheduling, and managing of your employees.

We may require that you and each person who is actively involved in the operation of the franchise with access to our Confidential Information, including the manager, execute an agreement in the form provided by us, under which each agree not to divulge any of our trade secrets or confidential or proprietary information, including the contents of any of our manuals.

All individuals owning a direct or indirect interest in you must execute the Guarantee, Indemnification, and Acknowledgment, covering all of your obligations under the Franchise Agreement. We may also require that the spouse (or domestic partner or other immediate family member) of an owner sign the Guarantee, Indemnification and Acknowledgement. The current form of Guarantee, Indemnification, and Acknowledgement is attached to the Franchise Agreement as Exhibit E.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

All products and services you use, sell, or offer at the Franchised Business must conform to our standards and specifications. These are described in our Manuals and other writings. You must not deviate from our standards and specifications unless we first give you our written consent. You must also comply with all applicable laws and regulations and secure all appropriate governmental approvals for the Franchised Business.

You must offer and sell only the products and services that we have expressly approved in writing. You may not offer for sale any products or perform any services that we have not authorized previously in writing, and you must stop selling any, products, or services that we disapprove in writing. You must not use or offer nonconforming items or services unless we first give you our written consent. We may add to, delete from, or otherwise modify or change the list and types of authorized products and services without limitation as we deem appropriate.

We do not restrict whom you may serve; however, we reserve the right to establish a maximum number of memberships you can sell, as outlined in the Manuals, to ensure that the TruGolf Links members have reasonable access to reservations. You must open and operate the Franchised Business during the hours we specify in the Manuals or otherwise in writing.

You must participate in all market research programs that we require, which includes test-marketing new products, purchasing a reasonable quantity of new products for test-marketing, and promoting the sale of the new products. You must provide us with timely reports and test results for all such programs.

You may not install and offer vending machines, ATM machines, or other activities (such as cigarette machines, pool, darts, gambling activities, video games, slot machines, and other gaming devices) unless we have given our prior written consent to you to do so. We reserve the right to require you to use specified game consoles, vending machines, jukeboxes, or other entertainment devices or services that we designate.

We reserve the right to require you to only play such music and video programming at your Franchised Business that we have designated in the Manuals or approved in writing. We reserve the right to require you to subscribe to specific music and television offerings at your Franchised Business that we designate, including designated playlists, streaming services, specific television packages, premium channels, and/or other customized content distribution.

We reserve the right to establish minimum and/or maximum prices you may charge for products and services, as permitted by law. If we establish maximum or minimum prices, you will charge prices no higher than the maximum prices we specify and no lower than the minimum prices we specify.

We may change, supplement, improve, or modify the System at any time, as we deem appropriate. These changes may include, among others, the adoption and use of new or modified products, services, equipment and furnishings and new techniques and methodologies relating to the preparation, sale, promotion and marketing of food and beverage products and services, and new trademarks, service marks, and copyrighted materials. You must, upon reasonable notice, accept, adopt, implement, use, and display any change to the System we may make, at your sole expense. There are no limits on our right to make changes.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

The following table lists certain important provisions of the Franchise Agreement pertaining to renewals, terminations, transfers and dispute resolutions. You should read those provisions in the

Franchise Agreement attached as Exhibit C to this Disclosure Document.

Provision	Section in Franchise Agreement	Summary
a. Term of the franchise	2.1	The initial term expires 10 years after the effective date of the Franchise Agreement for a traditional location, or 5 years after the effective date for an Executive outlet.
b. Renewal or extension of the term	2.2	One additional term of 10 years for a traditional franchised outlet, or two additional terms of 5 years for a franchised Executive outlet.
c. Requirements for you to renew or extend	2.2.1–2.2.9	Renewal means the right to sign a successor franchise agreement to remain a franchisee. Requirements for renewal include: No default may exist under the existing agreement; you must provide notice of renewal at least 12 months in advance; you must sign our then-current franchise agreement, which may contain materially different terms and conditions than your original franchise agreement (including a different Service Area); you must sign a general release (see Exhibit F); you must satisfy all monetary obligations to us; you must pay a renewal fee; and you must present evidence that you have the right to remain in possession of the premises of the Franchised Business for the duration of the renewal term (or obtain our approval of new premises for the duration of the renewal term). We also may require that you remodel your Franchised Business and complete additional training.
d. Termination by you	Not Applicable	Not Applicable, subject to state law.
e. Termination by us without cause	Not Applicable	Not Applicable
f. Termination by us with cause	13	We may terminate upon default.
g. "Cause" defined – defaults which can be cured	13.3	You have 30 days to cure operational defaults and 5 days to cure monetary defaults, subject to state law.
h. "Cause" defined – defaults which cannot be cured	13.1–13.2	The term "cause," among other defaults, includes danger to health or safety; bankruptcy; assignment for the benefit of creditors; felony conviction; repeated violations; execution of levy not discharged within five days; attachment of property; failure to obtain approval of the site for your Franchised Business; failure to repair or renovate your Franchised Business premises; failure to complete initial training; abandonment of your Franchised Business; fraud; unauthorized transfer; failure to comply with non-compete and confidentiality obligations; default under lease or sublease for your Franchised Business; and unsatisfied final judgments of $10,000 or more for 30 days or longer, and termination under any other agreement between you or your affiliates and us or our affiliates.

Provision	Section in Franchise Agreement	Summary
i. Your obligations on termination and non-renewal	14	Among other obligations, you must cease to operate your Franchised Business, pay amounts due, cease the use of our System and Proprietary Marks, return our manuals, de-identify the Franchised Business, and comply with the post-term covenant not to compete.
j. Assignment of contract by us	12.1	The Franchise Agreement imposes no restriction on our right to assign.
k. "Transfer" by you – definition	12.3	The term "transfer" includes the transfer of the Franchise Agreement, Franchised Business's assets, the leases or interest in the Franchised Business, or any interest in you.
l. Our approval of transfer by you	12.4	We have the right to approve all transfers; we will not withhold our consent unreasonably.
m. Conditions for our approval of transfer	12.4	Among other conditions, no default may exist and you pay all amounts due, sign a general release and pay a transfer fee. The transferee must complete our training and meet all of our qualifications and other requirements and sign our then-current form of franchise agreement.
n. Our right of first refusal to acquire your business	12.6	We have an option for 30 days to purchase upon same terms and conditions offered to the third party.
o. Our option to purchase your business	14.1.7 and 14.1.8	We have an option to acquire the leases to, or the right to acquire, the premises upon the termination or expiration of your Franchise Agreement. We have an option to purchase any or all of your business's equipment or inventory related to the operation of the Franchised Business upon the termination or expiration of your Franchise Agreement.
p. Your death or disability	12.7 and 12.8	Within six months of your death or disability, your interest in the Franchise Agreement, or in you, must be transferred to a third party whom we approve.
q. Non-competition covenants during the term of the franchise	10.5	You cannot divert business to a competitor. You cannot operate any "Competitive Business," which means any business that, as determined by Franchisor in its sole determination, is the same as or substantially similar to the Franchised Business or the TruGolf Links brand, including, without limitation, any business that is primarily related to or that provides facilities for golf simulators, within your Service Area or within the Service Area or within 25 miles of any other TruGolf Links Center open or under construction (subject to state law).
r. Non-competition covenants after the franchise terminates or expires	10.6	For a period of two years, you cannot operate a Competitive Business within the Service Area of your original location or within 10 miles of any other TruGolf Links Center open or under construction (subject to state law).

Provision	Section in Franchise Agreement	Summary
s. Modification of the agreement	23	No changes to agreement can take place unless mutually agreed to in writing, except we can unilaterally modify the Manual and System.
t. Integration / merger clause	23	Only the written terms of the agreement and exhibits bind the parties (subject to applicable state law). However, nothing in the Franchise Agreement will exclude any representations we make in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	17	The parties must arbitrate any controversy or claim, except that either party may file for temporary or preliminary injunctive relief, a restraining order, or order of specific performance, including, without limitation, injunctive relief pertaining to the use of the TruGolf Links System, Proprietary Marks, and Confidential Information, subject to state law.
v. Choice of forum	17.2 and 17.3	All litigation must take place in federal or state court encompassing Centerville, Utah, and all arbitration must take place in the Salt Lake City metropolitan area, subject to applicable state law. See Exhibit D.
w. Choice of law	17.1	Utah law applies, subject to applicable state law. See Exhibit D.

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote TruGolf Links franchises.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Dr. Ben Litalien, 60 North 1400 West, Centerville, Utah 84014, 801-298-1997, benl@trugolflinks.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEM-WIDE OUTLET SUMMARY
FOR FISCAL YEARS 2022 TO 2024

Outlet Type	Year	Outlets at Start of Year	Outlets at End of Year	Net Change
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Company-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	**2022**	**0**	**0**	**0**
	2023	**0**	**0**	**0**
	2024	**0**	**0**	**0**

TABLE NO. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN FRANCHISOR)
FOR FISCAL YEARS 2022 TO 2024

State	Year	Number of Transfers
All States	2022	0
	2023	0
	2024	0
Totals	**2022**	**0**
	2023	**0**
	2024	**0**

TABLE NO. 3
FRANCHISED OUTLETS STATUS SUMMARY
FOR FISCAL YEARS 2022 TO 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
All States	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Totals	**2022**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
	2023	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**

TABLE NO. 4
COMPANY-OWNED OUTLETS STATUS SUMMARY
FOR FISCAL YEARS 2022 TO 2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets At End of Year
All States	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Totals	**2022**	**0**	**0**	**0**	**0**	**0**	**0**
	2023	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**

TABLE NO. 5
PROJECTED OPENINGS
AS OF DECEMBER 31, 2024

State	Franchise Agreement Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Illinois	0	1	0
New Jersey	1	2	0
Tennessee	0	2	0
Totals	**1**	**5**	**0**

Our fiscal year ends on December 31st.

Lists of Current and Former Franchisees

Exhibit E to this Disclosure Document reflects the name of each of our franchisees and the address and telephone numbers of their businesses as of December 31, 2024. Exhibit E also reflects the name, city, state, and current business telephone number of every franchisee who ceased to do business under the Franchise Agreement or had an outlet terminated, canceled, not renewed, or transferred within the last fiscal year ended December 31, 2024, or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. As of December 31, 2024, we did not have any current or former franchisees.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Purchase of Previously Owned Franchise

If you are purchasing a previously owned franchised outlet, we will provide you additional information on the previously owned franchised outlet in an addendum to this Disclosure Document.

Confidentiality Clauses

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with TruGolf Links. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

Trademark-Specific Franchisee Organizations

We know of no active franchisee organization associated with the System.

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit B to this Disclosure Document are the audited financial statements of our parent, TruGolf Holdings (f/k/a Deep Medicine Acquisition Corp.): (i) as of December 31, 2024 and 2023, and for the years ending December 31, 2024 and 2023; and (ii) as of March 31, 2023 and 2022, and for the years ending March 31, 2023 and 2022. Our parent changed the date of its fiscal year end from March 31 to December 31 in 2024. In addition, we have included unaudited financial statements of TruGolf Holdings for the period beginning January 1, 2025 through March 31, 2025. Under the Guarantee of Performance (included in Exhibit B), TruGolf Holdings has absolutely and unconditionally guaranteed our duties and obligations under the Franchise Agreement. Our and TruGolf Holdings' fiscal year end is December 31st.

ITEM 22
CONTRACTS

The following agreements are attached as exhibits to this Disclosure Document:

Exhibit C	Franchise Agreement
Exhibit D	State Specific Addenda
Exhibit F	Form of General Release
Exhibit H	Executive Addendum

ITEM 23
RECEIPTS

The last two pages of this Disclosure Document are detachable duplicate Receipts. Please sign and date both copies of the Receipt. Keep one signed copy of the Receipt for your file and return the other signed copy of the Receipt to us. The Receipt contains the names of our franchise sellers.

EXHIBIT A
TO THE FRANCHISE DISCLOSURE DOCUMENT

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Commissioner of Financial Protection and Innovation California Department of Financial Protection and Innovation	320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677 www.dfpi.ca.gov Ask.DFPI@ca.gov
Hawaii (State Administrator)	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch	335 Merchant Street Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General Consumer Protection Division	G. Mennen Williams Building, 1st Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7th Place East, Suite 280 St. Paul, MN 55101-2198
New York (State Administrator)	NYS Department of Law Investor Protection Bureau	28 Liberty Street, 21st Floor New York, NY 10005 212-416-8222
New York (Agent)	New York Secretary of State	One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001
North Dakota	Securities Commissioner North Dakota Securities Department	600 East Boulevard Avenue State Capitol, Fourteenth Floor, Dept. 414 Bismarck, ND 58505-0510
Rhode Island	Director, Department of Business Regulation, Securities Division	1511 Pontiac Avenue John O. Pastore Complex – Building 69-1 Cranston, RI 02920
South Dakota	Department of Labor and Regulation Division of Insurance - Securities Regulation	124 S. Euclid, Suite 104 Pierre, SD 57501-3185
Virginia (State Administrator)	State Corporation Commission Division of Securities and Retail Franchising	1300 East Main Street, 9th Floor Richmond, VA 23219 804-371-9051
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219-3630
Washington (State Administrator)	Securities Division, Department of Financial Institutions	PO Box 41200, Olympia, WA 98504-1200
Washington (Agent)	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501 360-902-8760
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 201 W. Washington Ave., Suite 300 Madison, WI 53703

EXHIBIT B
TO THE FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

TRUGOLF HOLDINGS, INC.
CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2024 AND 2023

TABLE OF CONTENTS

	Page
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM PCAOB ID: 457	F-2
CONSOLIDATED FINANCIAL STATEMENTS:	
Consolidated Balance Sheets as of December 31, 2024 and 2023	F-3
Consolidated Statements of Operations For the Years Ended December 31, 2024 and 2023	F-4
Consolidated Statements of Comprehensive Gain (Loss) For the Years Ended December 31, 2024 and 2023	F-5
Consolidated Statements of Stockholders' Deficit For the Years Ended December 31, 2024 and 2023	F-6
Consolidated Statements of Cash Flows For the Years Ended December 31, 2024 and 2023	F-7
Notes to Consolidated Financial Statements For the Years Ended December 31, 2024 and 2023	F-8

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of TruGolf Holdings, Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of TruGolf Holdings, Inc. (the Company) as of December, 2024 and 2023, and the related consolidated statements of operations, comprehensive gain (loss), stockholders' deficit, and cash flows for each of the years in the two-year period ended December 31, 2024, and the related notes (collectively referred to as the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Haynie & Company

We have served as the Company's auditor since 2024
Salt Lake City, Utah
April 15, 2025

TRUGOLF HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS

	December 31, 2024	December 31, 2023
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 10,882,077	$ 3,297,564
Restricted cash	-	2,100,000
Marketable investment securities	-	2,478,953
Accounts receivable, net	1,399,153	2,398,872
Inventory, net	2,349,345	2,119,084
Prepaid expenses and other current assets	116,619	262,133
Other current assets	45,737	-
Total Current Assets	14,792,931	12,656,606
Property and equipment, net	143,852	234,308
Capitalized software development costs, net	1,540,121	-
Right-of-use assets	634,269	972,663
Other long-term assets	31,023	1,905,983
Total Assets	$ 17,142,196	$ 15,769,560
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Accounts payable	$ 2,819,703	$ 2,059,771
Deferred revenue	3,113,010	1,704,224
Notes payable, current portion	10,001	9,425
Notes payable to related parties, current portion	2,937,000	1,237,000
Line of credit, bank	802,738	802,738
Margin line of credit account	-	1,980,937
Convertible notes payable	-	954,622
Dividend notes payable	4,023,923	-
Accrued interest	661,376	459,872
Accrued and other current liabilities	999,307	1,125,495
Accrued and other current liabilities - assumed in Merger	45,008	-
Lease liability, current portion	363,102	334,255
Total Current Liabilities	15,775,168	10,668,339
Non-current Liabilities:		
Notes payable, net of current portion	9,732	2,402,783
Note payables to related parties, net of current portion	624,000	861,000
PIPE loan payable, net	4,068,953	-
Dividend notes payable	-	4,023,923
Gross sales royalty payable	1,000,000	1,000,000
Lease liability, net of current portion	305,125	668,228
Other liabilities	-	63,015
Total Liabilities	21,782,978	19,687,288
Commitments and Contingencies		
Stockholders' Deficit:		
Preferred stock, $0.0001 par value, 10 million shares authorized; zero shares issued and outstanding, respectively	-	-
Common stock, $0.0001 par value, 100,000,000 shares authorized:		
Common stock - Series A, $0.0001 par value, 90 million shares authorized; 26,120,545 and 13,098 shares issued and outstanding, respectively	2,612	120
Common stock - Series B, $0.0001 par value, 10 million shares authorized; 1,716,860 and 0 shares issued and outstanding, respectively	172	-
Treasury stock at cost, 4,692 shares of common stock held, respectively	(2,037,000)	(2,037,000)
Additional paid-in capital	18,548,931	10,479,738
Accumulated other comprehensive loss	-	(1,662)
Accumulated deficit	(21,155,496)	(12,358,924)
Total Stockholders' Deficit	(4,640,781)	(3,917,728)
Total Liabilities and Stockholders' Deficit	$ 17,142,196	$ 15,769,560

The accompanying notes are an integral part of these consolidated financial statements.

TRUGOLF HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023
Revenue, net	$ 21,858,864	$ 20,583,851
Cost of revenue	7,271,512	7,825,768
Total gross profit	14,587,352	12,758,083
Operating expenses:		
Royalties	706,214	709,640
Salaries, wages and benefits	9,314,415	9,681,323
Selling, general and administrative	6,669,684	11,027,332
Total operating expenses	16,690,313	21,418,295
Loss from operations	(2,102,961)	(8,660,212)
Other (expenses) income:		
Interest income	106,400	108,011
Interest expense	(6,932,618)	(1,730,908)
Gain on fair value adjustment	142,319	-
Loss on extinguishment of debt	(270,594)	-
Gain on investment	262,035	-
Total other expense	(6,692,458)	(1,622,897)
Loss from operations before provision for income taxes	(8,795,419)	(10,283,109)
Provision for income taxes	-	-
Net loss	$ (8,795,419)	$ (10,283,109)
Net loss per common share Series A - basic and diluted	$ (0.76)	$ (857.35)
Weighted average shares outstanding Series A - basic and diluted	11,634,761	11,994

The accompanying notes are an integral part of these consolidated financial statements.

TRUGOLF HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE GAIN (LOSS)

	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023
Net loss	$ (8,795,419)	$ (10,283,109)
Other comprehensive gain (loss):		
Unrealized gain (loss) in fair value of short-term investments	1,662	(1,662)
Comprehensive loss	$ (8,793,758)	$ (10,284,771)

The accompanying notes are an integral part of these consolidated financial statements.

TRUGOLF HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023

	Preferred Stock		Class A Common Stock		Class B Common Stock		Treasury Stock		Additional Paid-in	Accumulated Other Comprehensive	Accumulated	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Gain (Loss)	Deficit	Total
Balance at December 31, 2022	-	$ -	11,308	$ 100	-	$ -	(4,692)	$(2,037,000)	$ 681,956	$ -	$ (2,075,815)	$ (3,430,759)
Issuance of common stock to consultants for services	-	-	821	9	-	-	-	-	4,493,324	-	-	4,493,333
Issuance of common stock to employees for services	-	-	252	3	-	-	-	-	1,379,193	-	-	1,379,196
Issuance of common stock for conversion of dividend payable	-	-	717	8	-	-	-	-	3,925,265	-	-	3,925,273
Unrealized loss in fair value of short-term investments	-	-	-	-	-	-	-	-	-	(1,662)	-	(1,662)
Net loss	-	-	-	-	-	-	-	-	-	-	(10,283,109)	(10,283,109)
Balance as of December 31, 2023	-	$ -	13,098	$ 120	-	$ -	(4,692)	$(2,037,000)	$10,479,738	$ (1,662)	$ (12,358,924)	$ (3,917,728)
Issuance of common stock exchanged in Merger	-	$ -	(13,098)	$ (120)	-	$ -	-	$ -	$ (3,854,573)	$ -	$ -	$ (3,854,693)
Issuance of common stock - Series A exchanged in Merger	-	-	11,538,252	1,154	-	-	-	-	(1,154)	-	-	-
Issuance of common stock - Series B issued in Merger	-	-	-	-	1,716,860	172	-	-	(172)	-	-	-
Revaluation of costs of merger	-	-	-	-	-	-	-	-	385,000	-	(1,153)	383,847
Issuance of common stock for interest and make good	-	-	723,068	72	-	-	-	-	700,749	-	-	700,821
Issuance of common stock for conversion of notes	-	-	13,787,393	1,379	-	-	-	-	9,988,281	-	-	9,989,660
Stock-based compensation												
- common stock	-	-	71,832	7	-	-	-	-	119,952			119,959
- options	-	-	-	-	-	-	-	-	538,323	-	-	538,323
Debt refinance conversion	-	-	-	-	-	-	-	-	192,787	-	-	192,787
Realized gain in fair value	-	-	-	-	-	-	-	-	-	1,662	-	1,662

of short-term investments												
Net loss	-	-	-	-	-	-	-	-	-	-	(8,795,419)	(8,795,419)
Balance as of December 31, 2024	-	$ -	26,120,545	$ 2,612	1,716,860	$ 172	(4,692)	$(2,037,000)	$18,548,931	$ -	$ (21,155,496)	$ (4,640,781)

The accompanying notes are an integral part of these consolidated financial statements.

TRUGOLF HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023
Cash flows from operating activities:		
Net loss	$ (8,795,419)	$ (10,283,109)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	301,442	58,641
Amortization of convertible notes original issue discount	728,278	97,111
Amortization of right-of-use asset	338,394	298,208
Change in fair value of derivative liability	(142,319)	-
Loss on extinguishment of debt	270,594	-
Fair value of warrants in excess of fair value of debt	-	93,530
Bad debt expense	826,207	681,479
Change in OCI	1,662	-
Stock issued for services	119,959	5,872,529
Stock issued for make good provisions on debt conversion	700,821	-
Stock options issued to employees	538,323	-
Changes in operating assets and liabilities:		
Marketable investment securities	-	12,530
Accounts receivable, net	173,512	(1,335,714)
Inventory, net	(230,261)	2,396
Prepaid expenses	145,514	(114,385)
Other current assets	(45,737)	17,840
Other assets	50,001	(1,905,983)
Accounts payable	444,961	596,434
Deferred revenue	1,408,786	(1,008,296)
Accrued interest payable	201,504	615,582
Accrued and other current liabilities	(634,557)	374,819
Other liabilities	(63,015)	63,015
Lease liability	(334,256)	(269,848)
Net cash used in operating activities	(3,995,606)	(6,133,221)
Cash flows from investing activities:		
Purchases of property and equipment	(36,339)	(127,413)
Purchase of short-term investments	-	(2,493,145)
Capitalized software, net	(1,701,471)	-
Sale of short-term investments	2,478,953	-
Net cash provided by (used in) investing activities	741,143	(2,620,558)
Cash flows from financing activities:		
Proceeds from PIPE loans, net of discount	8,902,681	-
Proceeds from loan payable – related party	2,000,000	-
Proceeds from investment fund (PIPE)	2,112,560	-
Cash acquired in Merger	103,818	-
Debt refinance conversion	192,787	-
Proceeds from line of credit	-	1,980,937
Proceeds from notes payable	-	2,433,059
Proceeds from convertible notes	-	185,500
Costs of Merger paid from PIPE loan	(1,947,787)	-
Repayments of line of credit	(1,980,937)	-
Repayments of loans assumed in Merger	(100,000)	-
Repayments of notes payable	(9,146)	(107,569)
Repayments of notes payable - related party	(535,000)	(37,000)
Dividends paid	-	40,150
Net cash provided by financing activities	8,738,976	4,495,077
Net change in cash , cash equivalents and restricted cash	5,484,513	(4,258,702)
Cash, cash equivalents and restricted cash - beginning of year	5,397,564	9,656,266
Cash and cash equivalents - end of year	$ 10,882,077	$ 5,397,564
Supplemental cash flow information:		
Cash paid for:		
Interest	$ 923,975	$ 1,115,332
Income taxes	$ -	$ -
Non-cash investing and financing activities:		
Derivative liability related to warrants	$ 142,319	$ -
PIPE note principal converted to Class A Common Stock	$ 5,832,600	$ -
Convertible notes exchanged for PIPE note	$ 2,419,622	$ -
Class A Common Stock exchanged in Merger	$ 3,854,573	$ -

Class A Common Stock issued in Merger	$	1,154	$	-
Class B Common Stock issued in Merger	$	172	$	-
Termination of loan payable	$	1,875,000	$	-
Conversion of dividend note payable and accrued interest	$	-	$	3,925,273
Conversion of note payable to line of credit	$	-	$	257,113
Warehouse lease	$	-	$	537,994

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1 – NATURE OF THE ORGANIZATION AND BUSINESS

Nature of the Business

For over 40 years, TruGolf Holdings, In. (including its subsidiaries "the Company", "we", "us", or "our") has been creating indoor golf software and hardware and are focused on both the residential and commercial golf simulation industries. We design, develop, manufacture and sell golf simulators for residential and commercial applications. We offer portable, professional, commercial and custom simulators. In addition, to bundling our software with our simulators, we offer our E6 Connect and E6 Apex software as well as other gaming software on a standalone basis. We have leveraged the power of our hardware and software platform to create a collection of multi-sport games including football, soccer, soccer golf, frisbee golf, zombie dodgeball, and cowboy target practice.

TruGolf Nevada has been creating indoor golf software for 40 years. We began as a subsidiary of Access Software, Inc., a video game developer based in Salt Lake City, Utah ("**Access Software**"), which was co-founded in November 1982, by Christopher Jones, the Company's largest stockholder, Chief Executive Officer, President and Chairman. In April 1999, Access Software was purchased by Microsoft Corp., for its expertise in golf software development. Following the acquisition, the core programming and graphics team of Links™, which created Links LS 1999, one of the bestselling PC sports games of 1999, were spun out to TruGolf Nevada.

Since 1999, we have focused on establishing residential and commercial golf simulation as a viable industry, and since 2007, we have focused on fabricating custom golf simulators for luxury clients. Part of our initial strategy included partnering with hardware inventors to provide them world class software. Over time, we found that it was not viable to rely on these early hardware inventors alone, we also began building and selling our own hardware. In addition, we are working with a video game company to utilize their new dynamic graphics engine which will enable us to bring photorealistic golf courses to life through our E6 software (discussed below). In addition, we have developed multiple sources and 3rd party manufacturers for the raw materials or parts for our products, including but not limited to, steel or aluminum frames, fabric, turf, screens, projectors, PCs, cameras, lasers, infrared sensors, and supporting subsystems. The availability of the frames and fabric from our principal provider, Allied ES&A, has been increased as they have moved into a much larger facility directly located in a large employee base community and we have entered into negotiations with a second supplier in order to provide alternative sourcing if needed. A third supplier, Impact Signs, has also been used in the past and TruGolf Nevada believes that it could purchase turf, and screen supplies from them as well if needed. Both turf (Controlled Products), and screen suppliers (Allied), are so specialized that we have come to rely on one vendor for each, respectively. Turf particularly experienced some delivery delays in 2022 that have been rectified, additional inventory has been secured locally, and our highest volume portable simulators have been redesigned to use less raw materials from that vendor, while adding an improved hitting surface from a second vendor, Real Feel, to mitigate risk. Negotiations with a second supplier of screen materials is in progress. Projectors (TV Specialists), PCs, lasers, IR sensors and other systems come from multiple suppliers with no historical delay in supply. We have 2 primary suppliers of cameras, IDS and Basler, and have integrated products from both in the new Apogee unit to ensure the greatest availability possible.

The Company is an "emerging growth company" as that term is used in the Jumpstart our Business Startups Act of 2012, and as such, has elected to comply with certain reduced public company reporting requirements.

Corporate History

On January 31, 2024 the Company completed the previously announced business combination pursuant to the terms of the Agreement and Plan of Merger, dated as of July 21, 2023 (as amended, the "Merger Agreement"), which provided for, Merger Sub to merge with and into TruGolf Nevada, with TruGolf Nevada surviving as a direct, wholly owned subsidiary of Deep Medicine Acquisition Corp. ("DMAQ"), a Delaware corporation and TruGolf's predecessor company as a consequence of the merger (together with the other transactions contemplated by the Merger Agreement, the "Business Combination"). In connection with the consummation of the Business Combination, DMAQ changed its name to TruGolf Holdings, Inc. TruGolf Holdings, Inc.'s Class A common stock commenced trading on The Nasdaq Global Market under the ticker symbol "TRUG" on February 1, 2024.

Trugolf Holdings, Inc. (f/k/a Deep Medicine Acquisition Corp.) (the "Company" or "TruGolf", "we", "us") was incorporated on July 8, 2020 as a Delaware corporation and formed for the purpose of effecting a business combination, with no material operation of its own. Our operations are conducted through our subsidiary TruGolf, Inc., a Nevada Corporation ("TruGolf Nevada"). TruGolf Nevada was formed as a Utah corporation on October 4, 1995, under the name "TruGolf, Incorporated". TruGolf Nevada's original business plan was the creation of golfing video games. On June 9, 1999, the TruGolf Nevada changed its name to "TruGolf, Inc." Effective on April 26, 2016, TruGolf Nevada filed Articles of Merger with the State of Utah, Department of Commerce, and on April 28, 2016, TruGolf Nevada filed Articles of Merger with the Secretary of State of Nevada, pursuant to which TruGolf, Inc., a Utah corporation, merged with and into TruGolf Nevada, pursuant to a Plan of Merger. TruGolf Nevada was the surviving corporation in the merger. In connection with the Plan of Merger, TruGolf Nevada affected a four-for-one forward stock split of its outstanding common stock.

On May 10, 2024 the Company formed TruGolf Links Franchising, LLC ("Links"), a wholly owned subsidiary in the state of Delaware. Links has a sole member, TruGolf, Inc. Links was formed to establish and sell franchises that would use the Company's indoor golf and recreational sports simulators and other equipment. Links offers a Service Area franchise agreement for a single location. It also offers a regional developer franchise agreement that allows the franchisee to sell franchises within its region. The upfront fees range from $45,000 to $100,000. Links has received proceeds of $500,000 from its CEO and $75,000 from a third party to purchase the franchise rights to some regions yet to be determined. As of September 30, 2024, the Company recorded $575,000 of deferred revenue and incurred $306,539 of expenses that are included in selling, general and administrative category.

Material Agreements

On February 2, 2024, the Company executed a securities purchase agreement (the "Purchase Agreement") with certain investors (together, the "PIPE Investors"), and pursuant to the terms and conditions of the Purchase Agreement, the PIPE Investors agreed to purchase from the Company (i) senior convertible notes in the aggregate principal amount of up to $15,500,000 (the "PIPE Convertible Notes"), (ii) Series A warrants to initially purchase 1,409,091 shares of the Company's Class A common stock (the "Series A Warrants"); and (iii) Series B warrants to initially purchase 1,550,000 shares of the Company's Class A common stock (the "Series B Warrants," and collectively with the Series A Warrants, the "PIPE Warrants")(the "PIPE Financing"). See Note 11 – PIPE Convertible Notes for additional details on the PIPE Convertible Notes. See Note 17 – Stockholders' Deficit for warrants issued and deemed to be derivative liabilities.

Nasdaq Compliance

On July 15, 2024, the Company received a deficiency letter from the Listing Qualifications Department (the "Staff") of the Nasdaq Stock Market ("Nasdaq") notifying the Company that since it failed to file its Form 10-Q for the period ended March 31, 2024 it no longer complied with Nasdaq Listing Rule 5250(c)(1). The deficiency letter did not result in the immediate delisting of the Company's common stock from the Nasdaq Capital Market. On August 14, 2024, the Company filed its Quarterly Report in the Form 10-Q for the period ended March 31, 2024 and the Company regained compliance with the applicable Nasdaq rule.

On August 19, 2024, the Company received a written notification (the " Equity Notice") from the Listing Qualifications Department (the "Staff") of the Nasdaq Stock Market ("Nasdaq") notifying the Company that, based on the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, the Company's stockholders' equity was ($10,508,104), and therefore, the Company was not in compliance with Nasdaq's Listing Rule 5450(b)(1)(A), which requires a $10,000,000 minimum stockholders' equity standard (the "Global Equity Standard").

Pursuant to Nasdaq Marketplace Rule 5810(c)(2)(C), the Company was provided 45 calendar days, or until November 18, 2024, to supply a specific plan to regain compliance with all Nasdaq Global Market listing requirements and the Company's time frame to complete its plan. The Company submitted its plan of compliance on November 18, 2024, which was accepted by the Staff, and Nasdaq granted an extension of 180 calendar days from the date of the Equity Notice, or until March 31, 2025, to evidence compliance. On April 2, 2025, the Company received a delist determination letter from the Staff (the "Nasdaq Notice") advising the Company that the Staff had determined that the Company had not regained compliance with the Global Equity Standard. Accordingly, the Staff indicated that unless the Company requests a hearing panel (a "Panel") appeal of the delist determination by April 9, 2025, its securities would be delisted on April 11, 2025.

On April 9, 2025, the Company appealed Nasdaq's determination to a Panel pursuant to the procedures set forth in the Nasdaq Listing Rule 5800 Series to stay the suspension of the Company's securities pending the Panel's decision.

On November 5, 2024, the Company received a written notification (the "Bid Notice") from the Staff notifying the Company that, for the 30 consecutive business days ended November 4, 2024, the Company's security did not maintain a minimum bid price of $1 per share. Nasdaq stated in its letter that in accordance with Nasdaq Listing Rule 5810(c)(3)(A), the Company has a compliance period of 180 calendar days from the date of the Bid Notice (the "Compliance Period"), and that it may regain compliance if the closing bid on the Company's security is at least $1 for a minimum of ten consecutive days during the Compliance Period, which will end May 5, 2025. If the Company chooses to implement a reverse stock split, it must complete the split no later than 10 business days prior to the expiration of the Compliance Period, in order to regain compliance.

On November 5, 2024, the Company received an additional written notice (the "MVPHS Notice") from the Staff notifying the Company that, for 30 consecutive business days ended August 8, 2024, the Company's market value of publicly held securities ("MVPHS") closed below the $15,000,000 MVPHS threshold required for continued listing on the Nasdaq Global Market under Nasdaq Listing Rule 5450(b)(2)(C) (the "MVPHS Rule"). Nasdaq stated in its letter that in accordance with Nasdaq Listing Rule 5810(c)(3)(D), the Company has a compliance period of 180 calendar days from the date of the MVPHS Notice, and it may regain compliance if at any time during the Compliance Period the MVPHS closes at $15,000,000 or more for a minimum of ten consecutive business days.

Liquidity

The accompanying consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which contemplates realization of assets and satisfying liabilities in the normal course of business. At December 31, 2024, the Company has an accumulated deficit of approximately $21 million and working capital deficit of approximately $982,000. For the year ended December 31, 2024, the Company had a loss from operations of approximately $2.1 million and negative cash flows from operations of approximately $4.0 million. Although the Company is showing positive revenue growth and gross profit trends, the Company expects to incur further losses through the end of 2025.

To date the Company has been funding operations primarily through the reinvestment of free cash flows generated from our business operations, sale of equity in private placements, PIPE convertible debt instruments and revenues generated by the Company's services. During the year ended December 31, 2024, the Company received $9,045,000 in proceeds from the issuance of PIPE Convertible Notes, net of $1,005,000 in original issue discounts, from a PIPE Convertible Note, $2,000,000 in proceeds from a loan payable with the Company's Chief Executive Officer, and $103,818 in net proceeds from the Company's trust account which was disbursed in connection with the Business Combination.

Based on its current cash resources and commitments, the Company believes it will be able to maintain its current planned development and corresponding level of expenditure for at least twelve months from the date of the issuance of these consolidated financial statements, although no assurance can be given that it will not need additional funds prior to such time.

NOTE 2 – BUSINESS COMBINATION AND PURCHASE PRICE ALLOCATION

On January 31, 2024, the Company consummated the Business Combination contemplated by the Amended and Restated Agreement and Plan of Merger, dated as of July 21, 2023 (as amended, the "Merger Agreement"), by and among the DMAQ, Merger Sub , Bright Vision Sponsor LLC, in the capacity as DMAQ's Representative thereunder, Christopher Jones, in the capacity as TruGolf Nevada's Representative thereunder, and TruGolf Nevada. As a result of the Business Combination, (i) Merger Sub merged with and into TruGolf Nevada (the "Merger"), with TruGolf Nevada surviving as a wholly-owned subsidiary of DMAQ, and (ii) DMAQ's name was changed from Deep Medicine Acquisition Corp. to TruGolf Holdings, Inc. The Company's Class A common stock commenced trading on the Nasdaq Global Market under the ticker symbol "TRUG" on February 1, 2024.

Accounting for the Business Combination

The Business Combination is accounted for as a reverse recapitalization in accordance with U.S. GAAP. Under this method of accounting, DMAQ was treated as the acquired company for accounting purposes, whereas TruGolf Nevada was treated as the accounting acquirer. In accordance with this method of accounting, the Business Combination has been treated as the equivalent of TruGolf Nevada issuing shares for the net assets of DMAQ, accompanied by a recapitalization. The net assets of DMAQ and TruGolf Nevada were stated at historical cost, with no goodwill or other intangible assets recorded, and operations prior to the Business Combination were those of TruGolf Nevada. TruGolf Nevada has been determined to be the accounting acquirer for purposes of the Business Combination based on an evaluation of the following circumstances:

- Legacy TruGolf Nevada stockholders have a majority of the voting power of TruGolf
- TruGolf Nevada comprising the ongoing operations of the combined company
- TruGolf Nevada contributing a majority of the governing body members of New TruGolf, and
- TruGolf Nevada's senior management comprising the senior management of New TruGolf

Exchange of TruGolf Nevada Shares for Shares of TruGolf

Based on 13,098 TruGolf Nevada shares of common stock outstanding immediately prior to the closing of the Business Combination, the Exchange Ratio determined in accordance with the terms of the Merger Agreement is approximately 570.10:1. TruGolf issued 7,467,134 shares of TruGolf common stock to legacy TruGolf Nevada shareholders in the Business Combination, determined as follows:

	TruGolf Nevada shares outstanding as of immediately prior to the Closing
Ordinary Shares, par value $0.01 per share	13,098
Exchange Ratio	570.10:1
Estimated shares of New TruGolf common stock issued to TruGolf Nevada shareholders upon closing	7,467,134

The common shares issued to legacy TruGolf Nevada shareholders consists of 5,750,274 shares of TruGolf Class A common stock and 1,716,860 shares of TruGolf Class B common stock. See Note 17 – Stockholders' Deficit for the detail of the remaining 5,787,978 shares of Class A common stock exchanged in the Merger.

The purchase price for the Merger was allocated to the net assets acquired on the basis of historical costs with no goodwill or other intangible assets recorded. The following summarizes the allocation of the purchase price to net assets acquired in the Merger:

Cash and cash equivalents	$	103,818
Net proceeds from investment fund (PIPE)		2,237,213.00
Accounts payable and accrued expenses		(310,724)
Loans payable		(1,565,000)
Net assets	$	465,307
PIPE Convertible Notes Payable assumed in Merger	$	4,650,000
Less: Original Issue Discount of 10%		(465,000)
PIPE Convertible Notes Payable, net		4,185,000
Payment of closing costs and other expenses		(1,947,787)
Net proceeds from PIPE Convertible Notes Payable assumed in Merger	$	2,237,213

On November 2, 2023 and December 7, 2023, Deep Medicine Acquisition Corp. ("DMAQ") executed loan agreements with certain accredited investors (together, the "Prior Loan Agreements") pursuant to which such investors agreed to loan DMAQ up to an aggregate $11,000,000 in exchange for the issuance of convertible notes and warrants. On February 2, 2024, TruGolf (f/k/a Deep Medicine Acquisition Corp.) executed a securities purchase agreement (the "Purchase Agreement") with (i) each of the investors party to the Prior Loan Agreements, which replaced, the Prior Loan Agreements in their entirety, and with (ii) additional investors (together, the "PIPE Investors"). Pursuant to the terms and conditions of the Purchase Agreement, the PIPE Investors agreed to purchase from the Company (i) senior convertible notes in the aggregate principal amount of up to $15,500,000 (the "PIPE Convertible Notes"), (ii) Series A warrants to initially purchase 1,409,091 shares of the Company's Class A common stock (the "Series A Warrants"); and (iii) Series B warrants to initially purchase 1,550,000 shares of the Company's Class A common stock (the "Series B Warrants," and collectively with the Series A Warrants, the "PIPE Warrants") (the "PIPE Financing").

The Purchase Agreement contemplated the funding of the investment (the "Investment") across multiple tranches. At the first closing (the "Initial Closing") an aggregate principal amount of $4,650,000 of PIPE Convertible Notes were issued upon the satisfaction of certain customary closing conditions in exchange for aggregate gross proceeds of $4,185,000, representing an original issue discount of 10%. On such date (the "Initial Closing Date"), the Company also issued the PIPE Investors the Series A Warrants and the Series B Warrants.

Subject to satisfying the conditions discussed below, the Company has the right under the Purchase Agreement, but not the obligation, to require that the PIPE Investors purchase additional Notes at up to two additional closings. Upon notice at any time after the 2nd trading day following the Initial Closing Date, the Company may require that the PIPE Investors purchase an additional aggregate principal amount of $4,650,000 of PIPE Convertible Notes, in exchange for aggregate gross proceeds of $4,185,000, if (i) the Registration Statement (as described below) has been filed; and (ii) certain customary closing conditions are satisfied (the "First Mandatory Additional Closing"). Upon notice at any time after the 2nd trading day following the date that the First Mandatory Additional Closing is consummated, the Company may require that the PIPE Investors purchase an additional aggregate principal amount of $6,200,000 of PIPE Convertible Notes, in exchange for aggregate gross proceeds of $5,580,000, if (i) the shareholder approval is obtained (as described below); (ii) the Registration Statement has been declared effective by the SEC; and (iii) certain customary closing conditions are satisfied (the "Second Mandatory Additional Closing").

In addition, pursuant to the Purchase Agreement, as amended by the Waiver (described below) each PIPE Investor has the right, but not the obligation, to require that, upon notice, the Company sell to such PIPE Investor at one or more additional closings such PIPE Investor's pro rata share of up to a maximum aggregate principal amount of $10,850,000 in additional PIPE Convertible Notes (each such additional closing, an "Additional Optional Closing"); provided that, the principal amount of the additional PIPE Convertible Notes issued at each Additional Optional Closing must equal at least $250,000. If a PIPE Investor has not elected to effect an Additional Optional Closing on or prior to August 30, 2025, such PIPE Investor shall have no further right to effect an Additional Optional Closing under the Purchase Agreement.

On August 13, 2024, the Company entered into those certain waiver and amendment agreements (the "Waiver"), pursuant to which the Company and the PIPE Investors agreed to: (i) waive any breaches or defaults caused by the Company's failure to timely file its SEC reports through August 14, 2024; (ii) extend the date by which the Additional Optional Closings may occur until 11 months from the effective date of the initial Registration Statement; (iii) permit the Company to raise debt financing from its affiliates through non-convertible, unsecured notes with a maturity date that is later than the maturity date of the PIPE Convertible Notes; (iv) waive certain registration failures until September 3, 2024 and permit the issuance of common stock to satisfy certain registration failures; and (v) allow the Company to satisfy the interest payments due April 1, 2024, July 1, 2024 and October 1, 2024 from the issuance of common stock or by allowing such amounts to be added to the principal amount of the PIPE Convertible Notes, at the option of the PIPE Investors. In addition, certain PIPE Investors agreed to acquire additional PIPE Convertible Notes without regard to any volume or price requirements in the instruments. In connection with the Waiver, the Company issued an aggregate of 192,151 shares in satisfaction of certain registration statement delay payments and issued an aggregate of 157,582 shares in satisfaction of outstanding interest payments. Such payments were made at the "Alternate Conversion Price" set forth in the PIPE Convertible Notes, which is equal to the lesser of (i) the Conversion Price, and (ii) 90% of the lowest volume weighted average price of the Class A common stock during the five consecutive trading days immediately prior to such conversion. Additionally, the Company issued 190,586 shares to a PIPE Investor as a result of language in the PIPE Convertible Note related to ownership percentage prior to the Merger.

On November 7, 2024, the Company entered into those certain amendments to the Waivers (the "Amendments"), pursuant to which the Company and the PIPE Investors agreed to: (i) waive any breaches or defaults caused by the Company's failure to timely file its SEC reports through August 21, 2024; and (ii) waive certain registration failures until October 3, 2024. In addition, the PIPE Investors waived any breaches or defaults that may have occurred or will occur solely as a result of the Company's failure to comply with the continued listing requirements of the Nasdaq Stock Market due to: (i) the Company's failure to meet the stockholders' equity requirement for continued listing, provided that the foregoing waiver shall expire on January 15, 2025, (ii) the Company's failure to meet the market value of publicly held shares requirement for continued listing, provided that the foregoing waiver shall expire on January 15, 2025, and/or (iii) the Company's failure to meet the minimum bid price requirement for continued listing; provided that the foregoing waiver shall expire on January 15, 2025, provided further that to the extent the Company is in compliance with all other Nasdaq Stock Market listing requirements and has filed a preliminary proxy statement to hold a special meeting to vote on a reverse stock split to remedy the bid price failure, the waiver shall be extended to March 15, 2025. In connection with the Amendment, the Company issued an aggregate of 116,959 shares in satisfaction of certain registration statement delay payments and issued an aggregate of 65,790 shares in satisfaction of outstanding interest payments. Such payments were made at the "Alternate Conversion Price" set forth in the PIPE Convertible Notes, which is equal to the lesser of (i) the Conversion Price, and (ii) 90% of the lowest volume weighted average price of the Class A common stock during the five consecutive trading days immediately prior to such conversion.

On November 7, 2024, certain PIPE Investors agreed to purchase additional PIPE Convertible Notes in aggregate principal amount of $3,300,000 for aggregate proceeds of $2,970,000. In connection with the foregoing, the Company agreed to repay an aggregate of $2,496,686 in outstanding debt and transaction expenses.

On December 6, 2024, a certain PIPE Investor agreed to purchase additional PIPE Convertible Notes in the aggregate principal amount of $2,100,000 for aggregate proceeds of $1,890,000.

As of December 31, 2024, the Company recorded PIPE Convertible Notes payable of $4,068,953, net of discounts. For the year ended December 31, 2024 the Company recorded interest expense on the PIPE Convertible Notes of $5,922,451, which included $4,216,986 in make whole interest as a result of debt conversions, and interest expense relating to the amortization of the OID of $516,239.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The summary of significant accounting policies presented below is designed to assist in understanding the Company's consolidated financial statements. Such consolidated financial statements and accompanying notes are the representations of the Company's management, who is responsible for their integrity and objectivity. The Company operates in one business segment, which is Golf Simulators.

Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Reclassifications

Certain reclassifications have been made to the financial statements for the year ended December 31, 2023 to conform to the financial statement presentation for the year ended December 31, 2024. These reclassifications had no effect on net loss or cash flows as previously reported.

Use of Estimates

Preparing financial statements in conformity with GAAP requires management to make estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates these estimates and judgments. Actual results could differ from those estimates.

Key estimates relate primarily to determining the net realizable value and demand for inventory, useful lives associated with property and equipment and capitalized software, valuation allowances with respect to deferred tax assets, contingencies, and the valuation and assumptions underlying share-based compensation and equity warrants. On an ongoing basis, management evaluates its estimates compared to historical experience and trends, which form the basis for making judgments about the carrying value of assets and liabilities.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of 90 days or less to be cash equivalents. Cash equivalents primarily consist of institutional money market funds, U.S. Treasury securities, certificates of deposit, and commercial paper and are carried at cost, which approximates fair value.

Concentration of Credit Risk

The Company maintains the majority of its cash and cash equivalents in accounts with large financial institutions. At times, balances in these accounts may exceed federally insured limits; however, to date, the Company has not incurred any losses on its deposits of cash and cash equivalents.

Marketable Investment Securities

The Company generally invests its excess cash in investments in corporate fixed income securities and U.S. Treasury securities. Such investments are included in cash and cash equivalents or marketable investment securities on the accompanying consolidated balance sheets and are classified based on original maturity. The Company considers all highly liquid investments with an original maturity date of 90 days or less to be cash equivalents and considers all highly liquid investments with an original maturity greater than 90 days and less than one year to be marketable securities.

Marketable fixed income securities are classified as available-for-sale and reported at fair value with unrealized gains and losses included in accumulated other comprehensive income (loss). Realized gains and losses on the sale of marketable securities are determined using the average cost method on a first-in, first-out basis and recorded in total other income (expense), net in the statements of operations and comprehensive loss. Each reporting period, the Company evaluates whether declines in fair value below carrying value are due to expected credit losses, as well as its ability and intent to hold the investment until a forecasted recovery of the carrying value occurs. Expected credit losses are recorded as an allowance through other income (expense), net on the Company's consolidated statements of operations.

During the year ended December 31, 2024, the Company sold and liquidated most of its marketable securities resulting in a gain of $1,662 recorded in the consolidated statements of comprehensive gain (loss). Marketable investment securities had a balance of $10,114 and $55,217 as of December 31, 2024 and 2023, respectively, and are included with cash and cash equivalents on the consolidated balance sheets.

Accounts Receivable, net

Accounts receivable are reported at their outstanding unpaid principal balances, net of allowances for doubtful accounts. The Company periodically assesses its accounts and other receivables for collectability on a specific identification basis. The Company estimates its allowance using a rate loss model based on delinquency. The estimated loss rate is based on historical experience with specific customers, understanding of the Company's current economic circumstances, reasonable and supportable forecasts, and the Company's judgment as to the likelihood of ultimate payment based upon available data. Management believes the Company's credit risk is mitigated by the geographically diverse customer base and its credit evaluation procedures. The actual rate of future credit losses, however, may not be similar to past experience. The Company writes off accounts receivable against the allowance for doubtful accounts when a balance is determined to be uncollectable. As of December 31, 2024 and 2023, the Company's allowance for doubtful accounts was $1,470,868 and $1,227,136.

Inventory, net

The Company's inventory consists of raw materials and are valued at the lower of historical cost or net realizable value, where net realizable value is considered to be the estimated selling price in the ordinary course of business, less reasonably predictable cost of completion, disposal and transportation. Historic inventory costs are calculated on an average or specific cost basis. The Company records inventory write-downs for excess or obsolete inventories based upon assumptions on current and future demand forecasts. As of December 31, 2024 and 2023, the Company had $448,360 and $429,050, respectively, reserved for obsolete inventory.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is calculated over the estimated useful lives of the related assets using the straight-line method. Amortization of leasehold improvements is computed using the straight-line method over the shorter of the remaining lease term (including renewals that are reasonably assured) or the estimated useful lives of the improvements. For internal-use software, external costs and employee payroll expenses directly associated with developing new or enhancing existing software applications are capitalized subsequent to the preliminary stage of development. Internal-use software costs are amortized using the straight-line method over the estimated useful life of the software when the project is substantially complete and ready for its intended use.

Category	Estimated Useful Life
Computer equipment and software	3 - 10 years
Furniture and fixtures	3 - 15 years
Vehicles	5 years
Equipment	5 - 10 years

Expenditures for major additions and improvements are capitalized, and minor replacements, maintenance, and repairs are expensed as incurred. When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gains or losses are included in the Company's results of operations for the respective period.

Capitalized Software Development Costs

The Company capitalizes certain costs related to the development of our software used in our simulators. In accordance with authoritative guidance, including the Financial Accounting Standards Board's Accounting Standards Codification ("ASC") 985-20, *Software – Costs of Software to be Sold, Leased, or Marketed*, the Company began to capitalize these costs when the technological feasibility was established and preliminary development efforts were successfully completed, management authorized and committed project funding, and it was probable that the project would be completed and the software would be used as intended. Such costs are amortized when placed in service, on a straight-line basis over the estimated life of the related asset, estimated to be three years beginning on February 1, 2024. Costs incurred prior to meeting these criteria together with costs incurred for training and maintenance are expensed as incurred and recorded in selling, general and administrative expenses on our consolidated statements of operations. The Company does not capitalize any testing or maintenance costs. The accounting for these capitalized software costs requires management to make significant judgments, assumptions and estimates related to the timing and amount of recognized capitalized software development costs. The balance of capitalized software development costs, net of accumulated amortization, at December 31, 2024 and 2023, was $1,540,121 and $0, respectively. The Company recorded amortization of capitalized software costs of $224,648 and $0 for the years ended December 31, 2024 and 2023, respectively.

Impairment of Long-Lived Assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Conditions that would necessitate an impairment assessment include a significant decline in the observable market value of an asset, a significant change in the extent or manner in which an asset is used, or any other significant adverse change that would indicate that the carrying amount of an asset or group of assets may not be recoverable. For asset groups held and used, the carrying value of the asset group is considered recoverable when the estimated undiscounted future cash flows expected to be generated from the use and eventual disposition of the asset group exceed the respective carrying value. In the event the carrying value is not recoverable, an impairment charge would be recognized for the asset group to be held and used equal to the excess of the carrying value above the estimated fair value of the asset group. Impairment charges are recognized within selling, general and administrative expenses in the consolidated statements of operations. The Company did not record a loss on impairment during the years ended December 31, 2024 and 2023, respectively.

Advertising and Marketing Costs

The Company expenses advertising and marketing costs as they are incurred. Advertising and marketing expenses were $736,744 and $395,941 for the years ended December 31, 2024 and 2023, respectively, and are recorded in operating expenses on the consolidated statements of operations.

Debt with Warrants

In accordance with ASC 470-20-25, when the Company issued debt with warrants, the Company treats the fair value of the warrants as a debt discount, recorded as a contra-liability against the debt, and amortizes the balance over the life of the underlying debt as amortization of debt discount expense in the consolidated statements of operations using the straight-line method. The offset to the contra-liability is recorded as either equity or liability in the Company's consolidated balance sheets depending on the accounting treatment of the warrants. If the debt is retired early, the associated debt discount is then recognized immediately as amortization of debt discount expense in the consolidated statements of operations.

Fair Value Measurements

As defined in ASC 820, *Fair Value Measurements and Disclosures*, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The Company utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. ASC 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). This fair value measurement framework applies at both initial and subsequent measurement.

Level 1: Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Pricing inputs are other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reported date. Level 2 includes those financial instruments that are valued using models or other valuation methodologies. These models are primarily industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace.

Level 3: Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value. The significant unobservable inputs used in the fair value measurement for nonrecurring fair value measurements of long-lived assets include pricing models, discounted cash flow methodologies and similar techniques.

Fair Value of Financial Instruments

The carrying value of cash, accounts receivable, accounts payable and accrued expenses, and other current liabilities approximate their fair values using Level 3 inputs, based on the short-term maturity of these instruments. The carrying amount of notes payable approximate the estimated fair value for this financial instrument as management believes that such debt and interest payable on the notes approximates the Company's incremental borrowing rate. The following table shows the Company's cash, cash equivalents, restricted cash, marketable securities, and derivative liabilities by significant investment category as of December 31, 2024 and 2023:

	Fair Value	Level 1	Level 2	Level 3
Fair Value at December 31, 2022	$ -	$ -	$ -	$ -
Money market funds	55,216	55,216	-	-
Corporate fixed income securities	452,682	-	452,682	-
U.S. treasury securities	2,026,271	-	2,026,271	-
Fair value at December 31, 2023	$ 2,534,169	$ 55,216	$ 2,478,953	$ -
Money market funds	(45,102)	(45,102)	-	-
Corporate fixed income securities	(452,682)	-	(452,682)	-
U.S. treasury securities	(2,026,271)	-	(2,026,271)	-
Derivative liability[(1)]	-	-	-	-
Fair value at December 31, 2024	$ 10,114	$ 10,114	$ -	$ -

(1) During the year ended December 31, 2024, the Company recorded a derivative liability related to the PIPE Warrants of $142,319. During the year ended December 31, 2024, the Company recorded a gain on fair value remeasurement of $142,319. See Note 17 – Stockholders' Deficit for additional details.

Leases

A lease is defined as a contract that conveys the right to control the use of identified property, plant or equipment for a period of time in exchange for consideration.

In accordance with ASC 842, *Leases*, the Company recognized a right-of-use ("ROU") asset and corresponding lease liability on its balance sheets for its office space and warehouse. See Note 19 – Leases for further discussion, including the impact on the Company's financial statements and related disclosures.

ROU assets include any prepaid lease payments and exclude any lease incentives and initial direct costs incurred. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. The lease terms may include options to extend or terminate the lease if it is reasonably certain that the Company will exercise that option.

Leases in which the Company is the lessee are comprised of office and warehouse rental. All of the leases are classified as operating leases. The Company has two lease agreements with remaining terms of 3.4 years and 11 months.

Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets, including tax loss and credit carry forwards, and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company utilizes ASC 740, *Income Taxes*, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements or tax returns. The Company accounts for income taxes using the asset and liability method to compute the differences between the tax basis of assets and liabilities and the related financial amounts, using currently enacted tax rates. A valuation allowance is recorded when it is "more likely than not" that a deferred tax asset will not be realized. At December 31, 2024 and 2023, the Company's net deferred tax asset has been fully reserved.

For uncertain tax positions that meet a "more likely than not" threshold, the Company recognizes the benefit of uncertain tax positions in the consolidated financial statements. The Company's practice is to recognize interest and penalties, if any, related to uncertain tax positions in income tax expense in the consolidated statements of operations when a determination is made that such expense is likely.

Revenue Recognition

Revenue Recognition Policy

Revenue is recognized upon satisfaction of all contractual performance obligations and transfer of control to the customer and is measured as the amount of consideration to which the Company expects to be entitled to in exchange for corresponding goods or services. Each sales transaction results in an implicit contract with the customer to deliver a product or service at the point of sale. The Company has two distinct revenue streams: golf simulators and content software subscriptions.

Performance obligations under our contracts consist of hardware, software consisting of perpetual licenses and subscription licenses, and support within a single operating segment.

Golf Simulators – Substantially all the Company's sales are multiple performance obligation arrangements for its golf simulators, for which the transaction price is equivalent to the stated price of the product or service, net of any stated discounts applicable at a point in time. Golf simulators are bundled and are comprised of both hardware, a software license (for the software to operate the simulator), and a content software subscription license. Revenue from golf simulators is recognized at the point in time when installation (hardware and software) has occurred and has been accepted by the customer. For transactions where the Company utilizes a third-party to complete the installation, the Company recognizes revenue solely for the simulator hardware upon delivery to the customer or third-party installer and then recognizes the remainder of the revenue upon installation and customer acceptance.

Perpetual License – Golf simulators require specific proprietary software to run the simulations. The Company records revenue from the proprietary software products under perpetual licenses. Revenue from the perpetual licenses is recognized at the time of installation and customer acceptance.

Content Software Subscriptions – The Company offers content software subscriptions for one and twelve months. We recognize revenue from these transactions when control has passed to the customer and the performance obligations have been satisfied. Control is considered to have passed to the customer when the software license has been delivered and accepted by the customer. The content software subscription revenue is recognized over the term of the contract.

Deferred Revenue

Deferred revenue represents either customer advance payments or performance obligations that have not yet been met.

Revenue from golf simulators and perpetual software licenses is deferred and primarily recognized upon the installation of the golf simulators and acceptance from the customer. Revenue from content software subscriptions is deferred and recognized ratably over the life of the subscription (one or twelve months). During the year ended December 31, 2024, the Company recognized $1,704,224 of golf simulator and subscription services revenue, respectively, that was included in deferred revenue balances at the beginning of the year.

Remaining Performance Obligations

As of December 31, 2024, approximately $3.1 million of revenue is expected to be recognized from remaining performance obligations. The Company expects to recognize 100% of this revenue over the next 12 months.

Disaggregated Revenue

	Year Ended December 31,	
	2024	2023
Revenues:		
Golf Simulators[1]	$ 13,708,760	$ 11,969,498
Content Software Subscriptions	7,852,699	8,493,368
Other[2]	297,405	120,985
Total net revenue	$ 21,858,864	$ 20,583,851

(1) Includes items such as simulator hardware and proprietary perpetual licenses.
(2) Includes items such as shipping and installation revenue.

Cost of Revenues

Cost of revenue includes direct materials, labor, manufacturing overhead costs and reserves for estimated warranty cost (excluding depreciation). Cost of revenues also includes charges to write down the carrying value of the inventory when it exceeds its estimated net realizable value and to provide for on-hand inventories that are either obsolete or in excess of forecasted demand, as consistently reviewed by the Company. During the years ended December 31, 2024 and 2023, the Company recorded an expense of $0 and $721,000 in inventory write-down, respectively.

Royalties

The Company has royalty agreements with certain software suppliers to pay royalties based on the number of units and subscriptions sold. The royalty percentages range between 20% and 30%. Royalty expense for the years ended December 31, 2024 and 2023, was $706,214 and $709,640, respectively.

Net Loss per Common Share

Net loss per common share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. All outstanding options and warrants are considered potentially outstanding common stock. The dilutive effect, if any, of stock options or warrants is calculated using the treasury stock method. All outstanding convertible notes are considered common stock at the beginning of the period or at the time of issuance, if later, pursuant to the if-converted method.

The following table sets forth the computations of loss per share:

	Year Ended December 31,	
	2024	2023
Numerators:		
Net loss	$ (8,795,419)	$ (10,283,109)
Denominator:		
Weighted-average common shares Series A outstanding, basic and diluted	11,634,761	11,994
Net loss per common share Series A, basic and diluted	$ (0.76)	$ (857.35)

Since the effect of common stock equivalents is anti-dilutive with respect to losses, the options, warrants and shares issuable upon conversion have been excluded from the Company's computation of net loss per common share for the years ended December 31, 2024 and 2023.

The following table summarizes the securities that were excluded from the diluted per share calculation because the effect of including these potential shares was anti-dilutive due to the Company's net loss position even though the exercise price could be less than the average market price of the common shares:

Stock Options	1,131,000
PIPE Convertible Notes[(1)]	928,700
Common Stock - Series A warrants	1,409,092
Common stock - Series B warrants	1,550,000
Earnout shares - Earned in three Tranches over three years (assumes achievement of revenue and VWAP targets)	4,500,000
Underwriter warrants to I-Bankers convertible at $12.00/common share	632,500
Total dilutive	10,151,292

(1) Does not include shares for interest or make-whole amounts as the number of shares is undeterminable since the calculation is based on variable floating factors

Stock-based Compensation

The Company has the ability to grant employees a number of different stock-based awards, including restricted shares of common stock, restricted stock units, stock options, and stock appreciation rights to purchase common stock, under the TruGolf Holdings, Inc. 2024 Incentive Plan (the "2024 Plan"). The Company records stock-based compensation expense based on the fair value of stock awards at the grant date and recognizes the expense over the employees' service periods. For performance-based awards, recognition of stock-based compensation expense also includes management's estimate of the probability of performance criteria as of the end of each reporting period. Stock-based compensation expense is recognized net of estimated forfeitures and expense is not recognized for awards that do not vest if service or performance conditions are not satisfied.

Pursuant to Accounting Standards Update ("ASU") 2018-07, *Compensation – Stock Compensation (Topic 718): Improvements to Non-employee Share-Based Payment Accounting*, the Company accounts for stock options issued to non-employees for their services in accordance with ASC 718. The Company uses valuation methods and assumptions to value the stock options that are in line with the process for valuing employee stock options noted above.

Emerging Growth Company Status

The Company is an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until those standards apply to private companies. The Company has elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that it is (i) no longer an emerging growth company or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, these consolidated financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates. The JOBS Act does not preclude an emerging growth company from early adopting new or revised accounting standards. The Company expects to use the extended transition period for any new or revised accounting standards during the period which the Company remains an emerging growth company.

Segment Reporting

The Company currently operates as one business segment, which is also the sole reportable segment, focusing on the manufacturing and sales of indoor golf simulators. The Company's business offerings have similar economic and other characteristics, including the nature of products, manufacturing, types of customers, and distribution methods. The determination of a single business segment is consistent with the consolidated financial information regularly provided to the Company's chief operating decision maker ("CODM"). The Company's CODM is its Principal Executive and Financial Officer and Director, who reviews and evaluates consolidated profit and loss and total assets for the purpose of assessing performance, making operating decisions, allocating resources, and planning and forecasting for future periods.

Warrants

The fair value of the warrants is estimated on the date of issuance using the Black-Scholes option pricing model, which requires the input of subjective assumptions, including the expected term of the warrants, expected stock price volatility, and expected dividends. These estimates involve inherent uncertainties and the application of management's judgment. Expected volatilities used in the valuation model are based on the average volatility of the comparable publicly traded on recognized stock exchanges. The risk-free rate for the expected term of the option is based on the United States Treasury yield curve in effect at the time of the grant.

Recently Adopted Accounting Pronouncements

In June 2022, the FASB issued ASU 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions* ("ASU 2022-03"), which clarifies the guidance in Accounting Standards Codification Topic 820, *Fair Value Measurement* ("Topic 820"), when measuring the fair value of an equity security subject to contractual restrictions that prohibit the sale of an equity security and introduces new disclosure requirements for equity securities subject to contractual sale restrictions that are measured at fair value in accordance with Topic 820. ASU 2022-03 is effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years, and early adoption is permitted. Management does not believe the adoption of any of these accounting pronouncements has had or will have a material impact on the Company's consolidated financial statements.

In November 2023, the FASB issued Update 2023-07 - *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures,* which requires disclosure of the title and position of the Chief Operating Decision Maker ("CODM"), an explanation of how the CODM uses the reported measure of segment profit or loss in assessing segment performance and deciding how to allocate resources, and disclosure of significant expenses regularly provided to the CODM that are included within the reported measure of segment profit or loss. The amendments of ASU 2023-07 are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The Company adopted this new guidance for the year-ended December 31, 2024, on a retrospective basis, and the adoption did not have a material effect on the Company's consolidated financial statements. (see Note 15)

Recent Accounting Pronouncements

In December 2023, the FASB issued Update 2023-09 - *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which enhances the disclosure requirements for income tax rate reconciliation, domestic and foreign income taxes paid, and unrecognized tax benefits. The amendments of ASU 2023-09 are effective for annual periods beginning after December 15, 2024. Early adoption is permitted and should be applied prospectively. The Company is currently evaluating the impact on the consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU 2024-03*, Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expense*s, to disclose additional information about specific expense categories. In January 2025, the FASB issued ASU 2025-01 *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)*, which clarified the effective date for ASU 2024-03. These amendments are intended to provided more information about types of expenses in commonly presented expense captions. The amendments in this update are effective for annual periods beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, and early adoption is permitted. The Company is currently evaluating the impact on the consolidated financial statements and related disclosures.

NOTE 4 – ACCOUNTS RECEIVABLE, NET

Accounts receivable and allowance for doubtful accounts consisted of the following as of December 31:

	2024	2023
Trade accounts receivable	$ 2,870,021	$ 3,458,625
Other	-	167,383
	2,870,021	3,626,008
Less allowance for doubtful accounts	(1,470,868)	(1,227,136)
Total accounts receivable, net	$ 1,399,153	$ 2,398,872

NOTE 5 – INVENTORY, NET

The following summarizes inventory as of December 31:

	2024	2023
Inventory - raw materials	$ 2,797,705	$ 2,548,134
Less reserve allowance for obsolescence	(448,360)	(429,050)
Inventory, net	$ 2,349,345	$ 2,119,084

NOTE 6 – MARKETABLE INVESTMENT SECURITIES

In February 2023, the Company entered into a brokerage agreement and deposited $2,500,000. In February 2023, we purchased $450,751 in corporate fixed income securities (corporate bonds) and $1,981,061 in government securities (Treasury securities). The Company terminated the brokerage agreement during the year ended December 31, 2024, liquidated the vast majority of its investments and has $10,114 recorded in cash and cash equivalents on its balance sheet as December 31, 2024. As of December 31, 2023, the marketable securities consisted of the following:

Corporate fixed income securities, weighted average yield and maturity of 5.39% and 2.38 years, respectively	$ 452,682
Government securities, weighted average yield and maturity of 4.91% and 3.25 years, respectively	2,026,271
Total marketable investment securities	$ 2,478,953

NOTE 7 – OTHER LONG-TERM ASSETS

The following summarizes other long-term assets as of December 31:

	2024	2023
Security deposit - Ethos Management loan[(1)]	$ -	$ 1,875,000
Security deposits - leased facilities	31,023	30,983
Total other long-term assets	$ 31,023	$ 1,905,983

(1) See Note 10 – Notes Payable – Ethos Management Inc.

NOTE 8 – PROPERTY AND EQUIPMENT, NET

The following summarizes property and equipment as of December 31:

	2024	2023
Software and computer equipment	$ 795,369	$ 809,031
Furniture and fixtures	230,883	230,883
Vehicles	59,545	59,545
Equipment	15,873	15,873
	1,101,670	1,115,332
Less accumulated depreciation	(957,818)	(881,024)
Total other long-term assets	$ 143,852	$ 234,308

Total depreciation expense was $76,794 and $58,641 for the years ended December 31, 2024 and 2023, respectively.

The following summarizes capitalized software development costs as of December 31, 2024:

Capitalized software - beginning balance, December 31, 2023	$ -
Capitalized software development costs - 2024	1,701,471
Less accumulated amortization	(161,350)
	$ 1,540,121

Total amortization expense for the years ended December 31, 2024 and 2023, was $161,350 and $0, respectively.

NOTE 9 – ACCRUED AND OTHER CURRENT LIABILITIES

Accrued and other current liabilities consist of the following amounts as of December 31:

	2024	2023
Accrued payroll	$ 108,945	$ 326,515
Credit cards	55,180	240,989
Warranty reserve	140,000	140,000
Sales tax payable	105,563	43,891
Other accrued liabilities	589,619	374,100
Total accrued and other current liabilities	$ 999,307	$ 1,125,495

Accrued liabilities and other current liabilities assumed in Merger as of December 31, 2024:

Accrued tax payable	$ 45,008
Total accrued and other current liabilities assumed in Merger	$ 45,008

NOTE 10 – NOTES PAYABLE

Notes payable consisted of the following as of December 31:

Revenue from golf simulators and perpetual software licenses is deferred and primarily recognized upon the installation of the golf simulators and acceptance from the customer. Revenue from content software subscriptions is deferred and recognized ratably over the life of the subscription (one or twelve months).

	2024	2023
Note payable - Ethos Management Inc.	$ -	$ 2,499,999
Note payable - Mercedez-Benz	19,733	29,149
	19,733	2,529,148
Less deferred loan fees - Ethos Management Inc.	-	(116,940)
Less current portion	(10,001)	(9,425)
Note payable long-term portion	$ 9,732	$ 2,402,783

Ethos Management Inc.

In January 2023, the Company entered into a financing agreement with Ethos Asset Management Inc. (the "Ethos Loan" or "Ethos") in the principal amount of up to $10 million. Pursuant to the terms of the Ethos Loan, the Company may draw down financing proceeds equal to $833,333 each month beginning in April 2023, up to the $10 million amount. Interest associated with the Ethos Loan is fixed at 4% per annum and has a three-year grace period for principal and interest payments. Annual principal and interest payments will commence in 2027 and continue through 2034. As a condition to funding, the Company provided Ethos with a $1,875,000 deposit as collateral (the "Deposit Collateral") for the note (See Note 7 – Other Long-Term Assets).

The Ethos Loan stipulates that fundings should happen approximately every 30 banking days, subject to Ethos completing periodic internal audits to ensure the Company was in compliance with the terms of the loan agreement. In August 2023, Ethos informed the Company that unrelated to the Company, Ethos was undergoing a routine audit of its portfolio, and pending the close of the audit, borrowers may experience delays in drawing on funds when requested. In February 2024, due to the lack of additional fundings and in accordance with the terms of the Ethos Loan, the Company sent Ethos a notice of termination for materially breaching the Ethos Loan agreement. Based on the termination for default clause in the Ethos Loan, the Company was entitled to retain all funds disbursed by Ethos and Ethos must release the Deposit Collateral. At the date of the Ethos Loan termination the principal and accrued interest owed on the Ethos Loan was $2,383,059 and $81,560, respectively. As a result of the Ethos Loan termination, the outstanding principal and accrued interest was offset by the Deposit Collateral leaving $589,619, which is included in Accrued and other current liabilities on the consolidated balance sheets at December 31, 2024 (See Note 9 – Accrued and Other Current Liabilities).

Mercedes-Benz

In November 2020, the Company entered into a $59,545, 5.90% annual interest rate note payable with Mercedez-Benz for a delivery van. The note matures on November 20, 2026, and is secured by the van. The Company makes a monthly payment of $908, which includes both principal and interest. The outstanding principal on the note at December 31, 2024 and 2023, was $19,733 and $29,149, respectively.

JPMorgan Chase

In June 2021, the Company entered into a $500,000, 3.00% annual interest rate note payable with JPMorgan Chase Bank, N.A. ("JPMorgan") and has a maturity date of June 8, 2026. The Company makes a monthly principal and interest payment in the amount of $8,994. There is no prepayment penalty.

In December 2023, the Company entered into a one-year line of credit facility with JPMorgan. See Note 13 – Lines of Credit. The outstanding note payable balance of $257,113 was transferred to the new line of credit.

Notes Assumed in Merger

As a successor to DMAQ, the Company assumed notes payable from the Merger in the amount of $1,565,000, which was comprised of: (i) an unsecured promissory note in the aggregate principal amount of $1,265,000 issued to two affiliates of the Sponsor on October 15, 2022, in connection with the First Extensions, from October 29, 2022 to January 29, 2023, and (ii) an unsecured promissory note in the principal amount of $300,000 issued to an affiliate of the Sponsor on February 9, 2023 in connection with the Second Extension, from January 29, 2023, to July 29, 2023, pursuant to which a monthly payment of $50,000 had been deposited in the Trust Account after January 29, 2023 for six months. Pursuant to the fully executed Promissory Notes, each of the Promissory Notes bears no interest and is due upon the earlier of the consummation of DMA's initial business combination or the date of the liquidation of DMAQ. During the year ended December 31, 2024, the Company made a principal payment of $100,000 to one of the note holders.

On December 31, 2024, using the proceeds from the November 7, 2024, funding of additional PIPE Convertible Notes (See Note 11 – PIPE Convertible Notes) the Company repaid the remaining balance of such notes in full. The extinguishment of one of the convertible notes resulted in extinguishment accounting. See Note 11 – PIPE Convertible Notes for additional details.

NOTE 11 – PIPE CONVERTIBLE NOTES

On November 2, 2023 and December 7, 2023, DMAQ executed loan agreements with certain accredited investors (together, the "Prior Loan Agreements") pursuant to which such investors agreed to loan DMAQ up to an aggregate $11 million in exchange for the issuance of convertible notes and warrants. On February 2, 2024, the Company executed a securities purchase agreement (the "Purchase Agreement") with each of the investors that executed the Prior Loan Agreements, which replaced the Prior Loan Agreements in their entirety, and with additional investors (together, the "PIPE Investors"). Pursuant to the terms and conditions of the Purchase Agreement, the PIPE Investors agreed to purchase from the Company (i) senior convertible notes in the aggregate principal amount of up to $15.5 million (the "PIPE Convertible Notes"), (ii) Series A warrants to initially purchase 1,409,091 shares of the Company's Class A common stock (the "Series A Warrants"), and (iii) Series B warrants to initially purchase 1,550,000 shares of the Company's Class A common stock (the "Series B Warrants," and collectively with the Series A Warrants, the "PIPE Warrants") (the "PIPE Financing").

Under the terms of the Purchase Agreement, the Company has the right, but not the obligation, to require that the PIPE Investors purchase additional PIPE Convertible Notes at up to two additional closings. On February 6, 2024, the first additional closing (the "First Mandatory Additional Closing") occurred for the sale of $4.65 million in additional PIPE Convertible Notes with an Original Issue Discount of $465,000 for gross proceeds of $4.185 million, subject to the filing of a registration statement and satisfaction of customary closing conditions.

The second additional closing (the "Second Mandatory Additional Closing") may occur upon notice any time following the second trading day after the First Mandatory Additional Closing, and provides for the sale of up to $6.2 million in additional PIPE Convertible Notes for gross proceeds of $5.58 million, subject to the effectiveness of the registration statement, receipt of required shareholder approvals, and satisfaction of customary closing conditions.

In addition, pursuant to the Purchase Agreement, as amended, each PIPE Investor has the right, but not obligation, to require the Company to sell to such investor its pro rata share of up to an aggregate principal amount of $10.85 million of additional PIPE Convertible Notes in one or more "Additional Optional Closings," provided that the principal amount issued in each such closing is no less than $250,000. These optional rights expire on August 30, 2025, if not exercised.

On August 13, 2024, the Company entered into waiver and amendment agreements (the "Waiver") with the PIPE Investors. Under the Waiver, the parties agreed to, among other things: to (i) waive any defaults caused by the Company's failure to timely file SEC reports through August 14, 2024, (ii) extend the deadline for Additional Optional Closings to 11 months following the effectiveness of the initial registration statement, (iii) permit the Company to raise non-convertible, unsecured debt financing from its affiliates, (iv) waive certain registration failures through September 3, 2024, and allow such failures to be cured through the issuance of common stock, and (v) allow interest payments due April 1, July 1, and October 1, 2024, to be paid in shares of common stock or added to the principal of the PIPE Convertible Notes, at the election of the applicable PIPE Investor. In connection with the Waiver, the Company issued 192,151 shares of Class A common stock to satisfy registration delay penalties and 157,582 shares of Class A common stock to satisfy accrued interest obligations. These issuances were made at the "Alternate Conversion Price" set forth in the PIPE Convertible Notes, which is defined as the lesser of the fixed conversion price or 90% of the lowest volume weighted average price (VWAP) of the Company's Class A common stock over the five consecutive days prior to conversion. Additionally, the Company issued 190,586 shares to a PIPE Investor as a result of language in the PIPE Convertible Note related to ownership percentage prior to the Merger.

On November 7, 2024, the Company and certain PIPE Investors entered into further amendments to the Waiver (the "Amendments") under which the PIPE Investors agreed to waive any breaches or defaults resulting from the Company's failure to timely file SEC reports through August 21, 2024, and extended the waiver for certain registration failures through October 3, 2024. The PIPE Investors also waived defaults related to the Company's non-compliance with the continued listing requirements of the Nasdaq Stock Market, including (i) failure to meet the minimum stockholders' equity threshold, (ii) failure to meet the minimum market value of publicly held shares, and (iii) failure to meet the minimum bid price requirement. These waivers are effective through January 15, 2025, but may be extended through March 15, 2025, solely with respect to the bid price deficiency, provided the Company remains in compliance with all other listing requirement and files a preliminary proxy statement to seek shareholder approval of a reverse stock split. In connection with these Amendments, the Company issued 116,959 shares of Class A common stock to satisfy additional registration delay penalties and 65,790 shares of Class A common stock for unpaid interest, also at the Alternate Conversion Price.

Also on November 7, 2024, certain PIPE Investors agreed to purchase an additional $3.3 million in principal amount of PIPE Convertible Notes with an Original Issue Discount of $330,000 for gross proceeds of $2.97 million. The Company used approximately $2.5 million of the proceeds from this issuance to repay outstanding debt and cover related transaction expenses.

One of the November 7, 2024, PIPE Notes was exchanged for a convertible note payable and an unsecured note payable that were issued to the same PIPE Investor. The exchange resulted in debt extinguishment accounting as the present value of the future cash flows of the new PIPE Convertible Note was greater than 10% of the remaining present value of the cash flows of the exchanged notes. As a result, the Company recorded a loss on extinguishment of debt of $270,594 on the consolidated statements of operations for the year ended December 31, 2024.

On December 16, 2024, a certain PIPE Investor agreed to purchase an additional $2.1 million in the principal amount of a PIPE Convertible Note with an Original Issue Discount of $210,000 for gross proceeds of $1.89 million.

PIPE Convertible Notes payable consisted of the following as of December 31, 2024:

PIPE Convertible Note - Tranche 1 - February 7, 2024	$ 4,650,000
PIPE Convertible Note - Tranche 2 - November 7, 2024	3,570,594
PIPE Convertible Note - Tranche 2 - December 16, 2024	2,100,000
	10,320,594
Less Debt Discount associated with OID and Warrants	(1,147,319)
PIPE Convertible Notes, net	9,173,275
Less gross PIPE Convertible Note principal converted into Class A common stock	(5,832,600)
Add accretion of debt discount	728,278
Total PIPE Convertible Notes, net	$ 4,068,953

During the year ended December 31, 2024, the Company converted an aggregate principal amount of $5,832,600 and $4,224,860 in accrued and make-whole interest related to the PIPE Convertible Notes into 13,787,393 shares of the Company's Class A common stock. During the year ended December 31, 2024, amortization expense related to the Original Issue Discount of the PIPE Convertible Notes was $728,278. The principal balance net of Debt Discounts and accrued interest related to the PIPE Convertible Notes at December 31, 2024, was $4,068,953 and $154,500, respectively.

NOTE 12 – RELATED PARTY NOTES AND LOANS PAYABLE

Related party notes payable consisted of the following as of December 31:

	2024	2023
Note payable - ARJ Trust	$ 650,000	$ 650,000
Note payable - McKettrick	800,000	1,300,000
Note payable - Carver	111,000	148,000
Loan - Chris Jones	2,000,000	-
	3,561,000	2,098,000
Less current portion	(2,937,000)	(1,237,000)
Note payable long-term portion	$ 624,000	$ 861,000

Future maturities of related party notes and loan payables as of December 31, 2024:

2025	$ 2,937,000
2026	287,000
2027	337,000
Total	$ 3,561,000

ARJ Trust

In December 2008, the Company entered into a note payable with ARJ Trust, a trust that is indirectly controlled by the Company's chief executive officer. The note has a principal amount of $500,000, an interest rate of 8.50% per annum, and a maturity date of March 31, 2024. The Company is required to make monthly interest-only payments of $3,541.

In June 2010, the Company entered into a second note payable with ARJ Trust. The note has a principal amount of $150,000, an interest rate of 8.50% per annum, and a maturity date of March 31, 2024. The Company is required to make monthly interest-only payments of $1,063.

On March 31, 2024, the maturity date of the notes was extended to March 31, 2025.

The Company made interest-only payments of $55,248 during the years ended December 13, 2024 and 2023, respectively. The principal balance of the notes was $650,000 at December 31, 2024 and 2023.

McKettrick

In May 2019, the Company entered into a $1,750,000, zero interest rate note payable with a former shareholder to repurchase all their owned shares in the Company. The note is payable in annual installments of $250,000 due on December 21 of each year. The note matures on December 1, 2027. If the annual installment is not paid within 10 days of the due date a late fee of 5% is charged. During the year ended December 31, 2024, the Company paid the December 2024 and 2023 installments totaling $500,000 and $50,000 in a negotiated extension fee for the 2023 installment. The principal balance of the note payable was $800,000 and $1,300,000 at December 31, 2024 and 2023, respectively.

Carver

In January 2021, the Company entered into a $222,000, zero interest rate note payable with a former shareholder to repurchase all their owned shares in the Company. The note is payable in semi-annual installments of $18,500 due on March 31 and September 30 each year and matures on October 1, 2027. The Company made the required installments totaling $37,000 for the years ended December 31, 2024 and 2023. The principal balance of the note payable was $111,000 and $148,000 at December 31, 2024 and 2023, respectively.

Chris Jones

During the year ended December 31, 2024, the Company chief executive officer loaned the Company an aggregate of $2 million for operating expenses. The loaned amount has a zero interest rate and no stated maturity date. The Company made no payments towards the loan during the year ended December 31, 2024, however, the Company expects to pay back the loan in full. The principal balance of the loan payable was $2,000,000 at December 31, 2024.

NOTE 13 – LINES OF CREDIT

JPMorgan Chase

In December 2023, the Company entered into a $2,000,000 variable rate line of credit with JPMorgan. The purpose of the new line of credit was to consolidate the balances outstanding on the note payable and the previous line of credit, which had matured. The line of credit matures on December 31, 2024. The line of credit has an annual interest rate of the Adjusted SOFR (Secured Overnight Financing Rate) Rate plus 3.00%.

The line of credit is secured by a pledge of $2,100,000 in the Company's deposit accounts (restricted cash) at JPMorgan. The outstanding principal balance on the line of credit was $802,738 at December 31, 2024 and 2023.

Morgan Stanley

During February 2023, the Company entered into a variable rate line of credit with Morgan Stanley which was secured by the marketable securities held in our brokerage account (See Note 6 – Marketable Investment Securities). The Company terminated the brokerage agreement during the year ended December 31, 2024, liquidated the vast majority of its investments and has $10,114 recorded in cash and cash equivalents on its balance sheet as December 31, 2024. The outstanding balance of the line of credit at December 31, 2023 was $1,980,937.

NOTE 14 – CONVERTIBLE NOTES PAYABLE

In May 2022, the Company entered into two separate but identical $300,000 (total $600,000) convertible notes payable (the "Convertible Notes") with an interest rate of 10% per annum with two individual consultants (the "Noteholders") to assist with services including an initial public offering preparation and listing to Nasdaq or other national exchange, assist the Company and its counsel in preparing a code of conduct and employment agreements, franchise development, and valuation increase through growth among other services. The original terms of each note include a 15% original issue discount ("OID"), 292 warrants to purchase common stock, no prepayment penalty and a maturity date of February 25, 2023.

The warrants were exercisable at $4,800 per share for five years and a cashless option and a mandatory exercise over $9,600 with no prepayment penalty. The warrants were non-exercisable for one year from issuance. The valuation assumptions used in the Black-Scholes model to determine the fair value of each warrant awarded in 2022: expected stock price volatility ranged from 40.06% to 80.17%; expected term in years 5.00 with a discount for the one-year lockout period; and risk-free interest rate 2.95%.

The Noteholder has the right, at any time on or after the issuance date and prior to the maturity date, to convert all or any portion of the then outstanding and unpaid principal plus any accrued interest thereon into shares of TruGolf Nevada's common stock. The per share conversion price will be convertible into shares of common stock equal to 70% multiplied by the lower of (i) the volume weighted average of the closing sales price of the common stock on the date that TruGolf Nevada's listing on the Nasdaq Global Market or other national exchange ("Uplisting") is successfully consummated or (ii) the lowest closing price for the five trading days following the date of Uplisting, not including the Uplisting day.

In the event the Company (i) makes a public announcement that it intends to be acquired by, consolidate or merge with any other corporation or entity (other than a merger in which the Company is the surviving or continuing corporation and its capital stock is unchanged) or sell or transfer all or substantially all of the assets of the Company; or (ii) any person, group or entity (including the Company) publicly announces a tender offer to purchase 50% or more of the common stock, then the conversion price will be equal to the lower of the conversion price and a 25% discount to the announced acquisition provided, that, the conversion will never be less than a price that is the lower of (iii) the closing price (as reflected on Nasdaq.com) immediately preceding the signing of these notes; or (iv) the average closing price of the Company's common stock (as reflected on Nasdaq.com) for the five trading days immediately preceding the signing of these notes.

In 2022 and at the time off issuance, the Company elected to follow the relative fair value method to allocate the proceeds to the warrants, OID, and convertible notes (collectively the "Financial Instruments"). Total estimated fair value of the Financial Instruments was $1,387,060. The pro-rata allocation of the $450,000 total proceeds was $282,109 to the warrants, $21,899 to the OID and $145,992 to the convertible notes. The fair value of the warrants exceeded the pro-rata allocation of proceeds to the warrants and the convertible notes by $445,032, which the Company recorded as interest expense at the time of issuance.

Based on an estimated 70% discounted conversion price, the Company recorded $192,857 in interest expense and a corresponding increase in the notes payable. The Company has elected to account for the convertible notes at fair market value. The fair market value will be adjusted at each reporting period. The total outstanding balance for each convertible note as of December 31, 2022, was $225,000 (total $450,000) and accrued interest was $16,480. In March 2023, we extended each note's maturity to July 31, 2023 and increased each note's borrowing limit to $375,000.

In July 2023, the Company and Convertible Noteholders entered into Warrant Cancellation Agreements, whereby the warrants were canceled when the Merger (business combination) with Deep Medicine Acquisition Corp. was completed. Also in July 2023, the convertible notes were modified whereby the maturity date was extended by up to an additional eight months (February 29, 2024), to be in two extensions of four months each. Five days prior to the extension deadline the Company was to issue 9,000 shares (total 18,000 shares if the Company elects the two extensions) of TruGolf Nevada's stock. The Company did elect the extension. The Company has not issued the shares as of the date of this filing.

There was zero OID related to the Convertible Notes remaining as of December 31, 2024 and 2023, and there was no OID interest expense or amortization recorded during the years ended December 31, 2024 and 2023.

As of December 31, 2024 and 2023, the balance of the Convertible Notes was $0 and $954,622, respectively. The Convertible Notes were paid off in connection with the November 7, 2024, funding of the additional PIPE Convertible Notes referenced in Note 11. The extinguishment of one of the convertible notes resulted in extinguishment accounting. See Note 11 – PIPE Convertible Notes for additional details.

NOTE 15 – DIVIDEND NOTES PAYABLE

Prior to the Merger, TruGolf Nevada filed its tax returns as an S Corporation. Historically, all income tax liabilities and benefits of TruGolf Nevada are passed through to the shareholders annually through distributions. No dividends were declared during 2023 or 2022. During 2021, the Board of Directors declared $7,395,694 in dividends to the shareholders, payable in cash as the Company's liquidity allows. During 2022, TruGolf Nevada paid the shareholders an aggregate amount of $1,965,706. In November 2022, each shareholder agreed to defer the accrued dividends payable by entering into 6.00% interest rate dividend notes payable. All outstanding and accrued interest is due and payable when the dividend notes payable mature on December 31, 2025. Interest commenced accruing on January 1, 2023.

Dividends declared, distributed, and accrued are as follows as of December 31:

	2024	2023
Accrued interest on dividends payable	$ 515,677	$ 274,242
Dividends payable	$ 4,023,923	$ 4,023,923

NOTE 16 – GROSS SALES ROYALTY PAYABLE

In June 2015, the Company entered into a Royalty Purchase Agreement (the "Royalty Agreement") with a purchaser ("Purchaser") for a gross sales royalty. The Purchaser agreed to purchase a sales royalty for the sum of $1,000,000 plus applicable taxes. Upon mutual agreement the Purchaser may purchase one or more additional royalties in an aggregate amount of up to $1,000,000. For the period June 2015 through May 2017, the Company paid a monthly payment of $20,833. Effective June 1, 2017, all subsequent monthly royalty payments has been equal to the greater of $20,833 plus the amount determined in accordance with the following:

i. If the trailing twelve-month revenue of the Company is equal to or less than $6,110,000, 3.60% of the Company's monthly revenues, in perpetuity (unless terminated in accordance with the Royalty Agreement);

ii. If the trailing twelve-month revenue of the Company is equal to or greater than $17,200,000, 1.30% of the Company's monthly revenues, in perpetuity (unless terminated in accordance with the Royalty Agreement); or

iii. If the trailing twelve-month revenue of the Company is greater than $6,110,000 but less than $17,200,000, such percentage of monthly revenue determined by dividing $220,060 by the amount of the trailing twelve-month revenue and multiplying the result by 100, in perpetuity (unless terminated in accordance with the Royalty Agreement).

The royalty percentage was fixed at 3.6% based on the trailing twelve-month revenue at the time of executing the Royalty Agreement. On June 1, 2017, the royalty percentage was changed to 2.4% based on the trailing twelve-month revenues at the time as outlined in the table above.

The Royalty Agreement contains an option for a one-time buy down of the royalty rate. At any time following the date on which the Purchaser has received royalty payments that are, in the aggregate, equal to two times the then applicable Aggregate Installment Amount ($1,000,000), the Company may purchase and extinguish 75% (but no more nor less) of all amounts owing or to become owing to the Purchaser hereunder. In the event the Company wants to exercise the buy down option, the Company would pay the Purchaser $750,000. The adjusted royalty rate going forward would then be 0.6% (75% of the 2.4%).

The Royalty Agreement also contains an option for a buyout upon the change of control. If pursuant to a proposed change of control the acquirer under such transaction requires, as a condition to the completion of such transaction, that the Company purchase and extinguish all amounts owing or to become owing to the Purchaser hereunder, the Company will pay the greater of:

i. An amount equal to two times the aggregate installment amount as at the date of the change of control buyout notice; and
ii. An amount equal to A multiplied by B multiplied by C, where:

   a. A is equal to the aggregate installment amount as at the date of the change in control divided by $22,500,000;
   b. B is equal to 0.8; and
   c. C is equal to the net equity value of the Company; or in the case of a proposed asset sale, the proposed net purchase price of all or substantially all of the Company's assets.

The Royalty Agreement does not contain a stated maturity date or bear interest. The agreement provides for a perpetual payment obligation, whereby the Company is required to remit a royalty equal to either 2.4% or 0.6% of applicable revenue, depending on whether the royalty rate buy-down option has been exercised. While the royalty percentage may be reduced pursuant to the terms of the buy-down provision, the only mechanism for terminating the Royalty Agreement is through a buyout that may be required by an acquirer in connection with a change of control transaction. In the absence of such a change of control, the Royalty Agreement remains in effect indefinitely.

Because the gross sales royalty payable has no stated fixed interest rate or maturity date, it is considered variable interest perpetual debt. The periodic variable payments to the Purchaser are recorded in interest expense. The outstanding balance at December 31, 2024 and 2023, was $1,000,000. During the years ended December 31, 2024 and 2023, the Company incurred $545,268 and $601,064, respectively.

NOTE 17 – STOCKHOLDERS' DEFICIT

Preferred Stock

The Company has authorized preferred stock of 10,000,000 shares with a par value of $0.0001. As of December 31, 2024 and 2023, there were no shares of preferred stock issued and outstanding.

Pre-Merger Common Stock

During the year ended December 2023, TruGolf Nevada issued an aggregate of 821 shares of common stock with a fair value of $5,473 per share, to consultants for services rendered.

During the year ended December 2023, TruGolf Nevada issued an aggregate of 252 shares of common stock with a fair value of $5,473 per share, to two executives as compensation.

On December 31, 2023, TruGolf Nevada issued an aggregate of 717 shares of common stock with a fair value of $5,475 per share, to certain shareholders for conversion of notes payable and related accrued interest in the aggregate amount of $3,925,273.

Post-Merger Common Stock

Prior to the Merger, the TruGolf Nevada had 13,098 shares of common stock outstanding. As described in Note 2 – Business Combination and Purchase Price Allocation, based on the 13,098 TruGolf Nevada shares of common stock outstanding immediately prior to the closing of the Business Combination, the Exchange Ratio determined in accordance with the terms of the Merger Agreement is approximately 570.10:1. TruGolf issued 7,467,134 shares of New TruGolf common stock to legacy TruGolf Nevada shareholders in the Business Combination.

Upon the closing of the Business Combination, the ownership of TruGolf's common stock was as follows:

	Accrual Redemptions	
	Number of Shares Owned	% Ownership
TruGolf Nevada shareholders - Series A	5,750,274	43.4%
TruGolf Nevada shareholders - Series B	1,716,860	13.0%
Private Placement Investors[(1)]	571,450	4.3%
DMAQ Public stockholders[(2)]	1,460,077	11.0%
DMAQ Directors and officers	280,000	2.1%
DMAQ Sponsor[(3)]	3,162,500	23.9%
I-Bankers[(4)]	313,951	2.4%
Total	13,255,112	100%

(1) DMAQ's Insiders had an aggregate of 406,500 units, which contain 406,500 Private Placement Shares and 406,500 Private Rights. I-Bankers had an aggregate of 113,000 units, which contain 113,000 Private Placement Shares and 113,000 Private Rights. Each holder of a Private Right received one-tenth of one share of DMAQ Class A common stock upon consummation of the initial business combination. Private placement shares were the shares of DMAQ Class A common stock. The 519,500 shares of DMAQ Class A common stock and 519,500 Private Rights were exchanged for a total of 571,450 shares of New TruGolf Class A Common Stock upon the closing of the Business Combination.

(2) Prior to and in connection with the approval of the Business Combination, holders of 378,744 DMAQ Class A Shares properly exercised their right to have such shares redeemed for a full pro rata portion of the trust account holding the proceeds from the IPO. In addition, in connection with the January 26, 2024, meeting to amend certain provisions of DMA's corporate documents allowing DMAQ to extend its existence, an additional 943 shares were redeemed, resulting in actual redemptions of 379,687 shares out of the total 574,764 shares of DMAQ common stock subject to redemption. Upon the closing of the Business Combination, 1,265,000 shares of New TruGolf Class A common stock were issued upon the conversion of 12,650,000 Public Rights.

(3) In connection with the Business Combination, 3,162,500 shares of DMAQ Class A common stock held by the Sponsor and its affiliates were converted into 3,162,500 shares of New TruGolf Class A common stock.

(4) Reflects the payment of the transaction fee pursuant to the BCMA Amendment due at Closing, which was paid to I-Bankers equal to (i) $2,000,000 in cash and (ii) 212,752 New TruGolf Class A Common Shares, and an aggregate of 101,200 Representative Shares issued in connection with the IPO were exchanged to New TruGolf Class A common stock upon the Closing.

Class A Common Stock

During the year ended December 31, 2024, the Company issued an aggregate of 723,068 shares of Class A Common Stock with fair values ranging from $0.52 - $0.98 per share to PIPE Convertible Note holders in lieu of cash for interest and make good provisions (See Note 11 – PIPE Convertible Notes).

During the year ended December 31, 2024, the Company issued and aggregate of 13,787,393 shares of Class A Common Stock with fair values ranging from $0.55 - $1.03 per share to PIPE Convertible Note holders for conversion of outstanding PIPE Convertible Notes and related accrued interest and make good provisions (See Note 11 – PIPE Convertible Notes).

Class B Common Stock

The Class B Common stock has voting rights of 25 votes per share, and votes as a single class together with the Class A Common Stock.

Outside of the 1,716,860 shares of Class B Common Stock issued in connection with the exchange of TruGolf Nevada shares of Class B Common Stock at the time of the Business Combination, no shares of Class B Common Stock were issued during the year ended December 31, 2024.

Warrant and Option Valuation

The Company has computed the fair value of warrants and options granted using the Black-Scholes option pricing model. The expected term for warrants and options issued to non-employees is the contractual life and the expected term used for options issued to employees and directors is the estimated period of time that options granted are expected to be outstanding. The Company utilizes the "simplified" method to develop an estimate of the expected term of "plain vanilla" employee option grants. The Company is utilizing an expected volatility figure based on a review of the historical volatilities, over a period of time, equivalent to the expected life of the instrument being valued, of similarly positioned public companies within its industry. The risk-free interest rate was determined from the implied yields from U.S. Treasury zero-coupon bonds with a remaining term consistent with the expected term of the instrument being valued.

Warrant Offerings

During the year ended December 31, 2024, the Company issued 2 separate series of warrants as part of the PIPE Convertible Notes (see Note 11 – PIPE Convertible Notes); Series A Warrants and Series B Warrants.

Series A Warrants

In applying the Black-Scholes option pricing model to Series A Warrants granted or issued, the Company used the following assumptions:

	December 31, 2024
Risk free interest rate	4.03%
Expected term (years)	5.00
Expected volatility	53.12%
Expected dividends	0.00%

On February 2, 2024, the Company issued five-year immediately vested warrants to purchase an aggregate of 1,409,092 shares of the Company's Class A Common Stock in association with the issuance of the PIPE Convertible Notes (the "Series A Warrants"). The Series A Warrants have an exercise price of $13.00 per share. The Series A Warrants had an aggregate grant date fair value of $126,819. The Series A Warrants met the definition of a liability per ASC 815 – Derivatives and Hedging. See Note 18 – Derivative Liability for additional details.

The weighted average estimated fair value of the Series A Warrants granted during the year ended December 31, 2024, was approximately $0.09 per share.

Series B Warrants

In applying the Black-Scholes option pricing model to Series B Warrants granted or issued, the Company used the following assumptions:

	December 31, 2024
Risk free interest rate	4.14%
Expected term (years)	2.50
Expected volatility	49.40%
Expected dividends	0.00%

On February 2, 2024, the Company issued two-and-a-half-year immediately vested warrants to purchase an aggregate of 1,550,000 shares of the Company's Class A Common Stock in association with the issuance of the PIPE Convertible Notes (the "Series B Warrants"). The Series B Warrants have an exercise price of $10.00 per share. The Series B Warrants had an aggregate grant date fair value of $15,500. The Series B Warrants met the definition of a liability per ASC 815 – Derivatives and Hedging. See Note 18 – Derivative Liability for additional details.

The weighted average estimated fair value of the Series A Warrants granted during the year ended December 31, 2024, was approximately $0.01 per share.

A summary of the warrant activity during the year ended December 31, 2024 is presented below:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life In Years	Aggregate Intrinsic Value
Outstanding, January 1, 2024	-	$ -		
Granted	2,959,092	11.43		
Exercised	-	-		
Forfeited	-	-		
Outstanding, December 31, 2024	2,959,092	$ 11.43	2.8	$ -
Exercisable, December 31, 2024	2,959,092	$ 11.43	2.8	$ -

The following table presents information related to stock warrants at December 31, 2024:

Warrants Outstanding			Warrants Exercisable	
Exercise Price		Outstanding Number of Warrants	Weighted Average Remaining Life In Years	Exercisable Number of Warrants
$	10.00	1,550,000	1.6	1,550,000
$	13.00	1,409,092	4.1	1,409,092
		2,959,092		2,959,092

NOTE 18 – DERIVATIVE LIABILITY

The following table sets forth a summary of the changes in the fair value of Level 3 derivative liabilities that are measured at fair value on a recurring basis:

Beginning balance as of January 1, 2024	$ -
Issuance of derivative liabilities	142,319
Change in fair value of derivative liabilities	(142,319)
Ending balance as of December 31, 2024	$ -

In applying the Black-Scholes option pricing model to derivatives issued and outstanding during the year ended December 31, 2024, the Company used the following assumptions:

	For The Year Ended December 31, 2024
Risk free interest rate	3.58% - 4.38%
Expected term (years)	1.50 – 5.00
Expected volatility	49.40% - 60.19%
Expected dividends	0.00%

During the year ended December 31, 2024, the Company recorded new derivative liabilities in the aggregate amount of $142,319 related to the PIPE Warrants associated with the PIPE Convertible Notes. See Note 11 – PIPE Convertible Notes for additional details. See Note 17 – Stockholders' Deficit for warrants issued and deemed to be derivative liabilities.

During the year ended December 31, 2024, the Company recomputed the fair value of the derivative liabilities to be $0. The Company recorded a gain on the change in fair value of these derivative liabilities of $142,319 for the year ended December 31, 2024.

NOTE 19 – STOCK-BASED COMPENSATION

The Company accounts for its stock-based compensation in accordance with the fair value recognition of ASC 718.

Stock Issued For Compensation

On April 17, 2024, the Company issued 71,832 shares of Class A Common Stock to the former chief financial officer for services rendered with a fair value of $1.67 per share.

2024 Stock Incentive Plan

On October 24, 2024, the Company filed a Form S-8 to register 1,600,000 shares of the Company's Class A Common Stock to participants in the TruGolf Holdings, Inc. 2024 Stock Incentive Plan (the "2024 Plan"). Awards to be made under the 2024 Plan consist of covering up to the sum of (i) 1,600,000 shares; and (ii) an annual increase commencing on January 1, 2025 and continuing annually on each anniversary thereof through (and including) January 1, 2035, equal to the lesser of (A) 5% of the shares of Company Common Stock outstanding on a fully diluted basis on the last day of the immediately preceding fiscal year and (B) such smaller number of shares as determined by the Board or the Committee (the "Overall Share Limit"). Shares issued or delivered under the 2024 Plan may consist of authorized but unissued shares of common stock, shares purchased on the open market or treasury shares.

On October 11, 2024, the Company granted options to purchase an aggregate of 1,131,000 shares of Class A Common Stock at an exercise price of $0.93 per share and a fair value of $538,323. Vesting terms of these options are as follows: (i) 1,076,000 options vest upon issuance and (ii) 55,000 options vest 50% upon issuance and 50% on the one-year anniversary of the grant date. The options were valued using the Black-Scholes option pricing model under the following assumptions as found in the table below.

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Life In Years	Intrinsic Value
Outstanding, January 1, 2024	-	$ -		
Granted	1,131,000	0.93		
Exercised	-	0		
Forfeited	-	0		
Outstanding, December 31, 2024	1,131,000	$ 0.93	4.8	$ -
Exercisable, December 31, 2024	783,500	$ 0.93	4.8	$ -

The weighted average grant date fair value of the options granted and vested during the year ended December 31, 2024, was $538,323 and $524,960, respectively. The weighted average non-vested grant date fair value of non-vested options was $13,368 at December 31, 2024.

The following table summarizes information about options to purchase shares of the Company's Class A Common Stock outstanding and exercisable at December 31, 2024:

Options Outstanding		Options Exerciseable	
Exercise Price	Outstanding Number of Options	Weighted Average Remaining Life In Years	Exerciseable Number of Options
$ 0.93	1,131,000	4.8	783,500
	1,131,000		783,500

In applying the Black-Scholes option pricing model to stock options granted, the Company used the following assumptions:

	For the Years Ended December 31,	
	2024	2023
Risk free interest rate	3.88%	0.00%
Expected term (years)	5.00 - 5.25	-
Expected volatility	53.49%	0.00%
Expected dividends	0.00%	0.00%

Stock-Based Compensation Expense

The following table presents information related to stock-based compensation expense:

	For the Year Ended Decemebr 31,	Unrecognized at December 31,	Weighted Average Remaining Amortization Period
	2024	2024	(Years)
General and administrative	$ 538,323	$ 13,368	1.00
Total	$ 538,323	$ 13,368	1.00

NOTE 20 – LEASES

The Company is party to two leases: (i) office space in Centerville, Utah (the "Centerville Lease") and (ii) a warehouse in North Salt Lake City, Utah (the "SLC Lease"). The Centerville lease is scheduled to expire in May 2028 and the SLC Lease is scheduled to expire in November 2025.

The Company has operating leases for its corporate headquarters and warehouse. The Company determines if an arrangement contains a lease at inception based on the ability to control a physically distinct asset. Operating lease right-of-use assets are recorded in the consolidated balance sheets on the initial measurement of the lease liability as adjusted to include prepaid rent and initial direct costs less any lease incentives received. Lease liabilities are measured at the commencement date based on the present value of the lease payments over the lease term. The Company separately accounts for lease and non-lease components within lease agreements. The Company uses its incremental borrowing rate to present value the lease liability as key inputs to determine the interest rate implicit in the lease are not shared by lessors.

Operating lease expense is recorded on a straight-line basis over the lease term. Right-of-use assets and lease liabilities for short-term leases are not recognized in the consolidated balance sheets. Payments for short-term leases are recognized in the consolidated statements of operations on a straight-line basis over the lease term.

When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its estimated incremental borrowing rate at lease inception point. The weighted average incremental borrowing rate applied was 8.39%. As of December 31, 2024, the Company's leases had a remaining weighted average term of 2.39 years.

The following table presents net lease cost and other supplemental lease information:

	2024	2023
Lease cost		
Operating lease cost (cost resulting from lease payments)	$ 403,109	$ 322,102
Net lease costs	$ 403,109	$ 322,102
Operating lease - operating cash flows (fixed payments)	$ 403,109	$ 322,102
Operating lease - operating cash flows (liability reduction)	$ 334,254	$ 254,945
Non-current leases - right-of-use assets	$ 634,269	$ 972,663
Current liabilities - operating lease liabilities	$ 363,102	$ 334,255
Non-current liabilities - operating lease liabilities	$ 305,125	$ 668,228

Future minimum payments under non-cancelable leases for operating leases for the remaining terms of the leases following the year ended December 31, 2024, are as follows:

Fiscal Year	Operating Leases
2025	$ 406,990
2026	140,163
2027	144,227
2028	60,808
Total future minimum lease payments	$ 752,188
Amount representing interest	(83,961)
Present value of net future minimum lease payments	$ 668,227

NOTE 21 – SEGMENT INFORMATION

The Company currently operates as one business segment, which is also the sole reportable segment, focusing on the manufacturing and sales of indoor golf simulators. The Company's business offerings have similar economic and other characteristics, including the nature of products, manufacturing, types of customers, and distribution methods. The determination of a single business segment is consistent with the consolidated financial information regularly provided to the Company's chief operating decision maker ("CODM"). The Company's CODM is its Principal Executive and Financial Officer and Director, who reviews and evaluates consolidated profit and loss and total assets for the purpose of assessing performance, making operating decisions, allocating resources, and planning and forecasting for future periods.

In addition to the significant expense categories included within net loss presented on the Company's Consolidated Statements of Operations, see below for disaggregated amounts that comprise consulting, contract labor, personnel, business development, royalty, and marketing expenses:

	Years Ended December 31,	
	2024	2023
Consulting expenses	$ 1,226,900	$ 554,036
Contract labor	1,365,640	1,282,583
Personnel expenses	9,314,415	9,681,323
Business development expenses	528,264	729,466
Royalty expenses	706,214	709,640
Marketing expenses	710,658	395,941
Other expenses*	2,828,222	8,065,306
Total operating expenses	$ 16,690,313	$ 21,418,295

* Other expenses materially comprised of rent, insurance, stock-based compensation, depreciation and amortization, licenses, dues and subscriptions, travel and entertainment, and merchant fees.

NOTE 22 – COMMITMENTS AND CONTINGENCIES

Legal Claims

There are no material pending legal proceedings in which the Company or any of its subsidiaries is a party or in which any director, officer or affiliate of the Company, any owner of record or beneficially of more than 5% of any class of its voting securities, or security holder is a party adverse to the Company, or has a material interest adverse to the Company.

NOTE 23 – INCOME TAXES

During the Year ended December 31, 2023 and prior, the Company was an S Corporation for federal and state income tax purposes with all income tax liabilities and/or benefits of the Company being passed through to the stockholders. As such, no recognition of federal or state income taxes for the Company has been provided for in the accompanying financial statements for 2023. Any uncertain tax positions taken by the stockholders on their individual returns was not an uncertain position of the Company.

The following is a reconciliation of the statutory federal income tax rate applied to pre-tax net loss compared to the income taxes in the consolidated statement of operations as of December 31:

	2024
Income tax benefit at statutory U.S. federal rate	(21)%
State income taxes, net of federal benefit	(0.95)%
Stock-based compensation	0.60%
Non-deductible derivative liability change	0.40%
Change in valuation allowance	21%
Total tax expense	-%

Deferred income taxes reflect the net effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The following table sets forth deferred income tax assets and liabilities for the year ended December 31:

	2024
Deferred tax assets:	
Net operating losses	$ 1,628,300
Stock compensation expense	132,400
Accrued expenses	162,700
Extinguishment of debt	66,600
Depreciation	18,900
Amortization	179,100
Allowance for doubtful accounts	188,900
Deferred tax assets:	2,376,900
Deferred tax liabilities:	
Prepaid expenses	(28,700)
Other	(64,400)
Deferred tax liabilities:	(93,100)
Valuation allowance	(2,283,800)
Net deferred tax asset/(liability)	$ -

The valuation allowance recorded by the Company as of December 31, 2024, resulted from the uncertainties of the future utilization of deferred tax assets relating primarily to net operating loss (“NOL”) carryforwards for federal and state income tax purposes. Realization of the NOL carryforwards is contingent on future taxable earnings. The deferred tax asset was reviewed for expected utilization using a “more likely than not” approach by assessing the available positive and negative evidence surrounding its recoverability. Accordingly, a full valuation allowance continues to be recorded against the Company’s deferred tax assets, as it was determined based upon past and projected future losses that it was “more likely than not” that the Company’s deferred tax assets would not be realized. The cumulative valuation allowance as of December 31, 2024, is $2.3 million, which will be reduced if and when the Company determines that the deferred income tax assets are more likely than not to be realized.

Management does not believe that there are significant uncertain tax positions in 2024. There are no interest and penalties related to uncertain tax positions in 2024.

The Company has federal net operating loss carryforwards of $6,580,951 as of December 31, 2024. $6,580,951 of the federal net operating loss has an indefinite carry forward period. The Company has State net operating loss carryforwards totaling $6,853,334 at December 31, 2024. The Company has various state net operating loss carryforwards. The determination of the state net operating loss carryforwards is dependent upon apportionment percentages and state laws that can change from year to year and impact the amount of such carryforwards. If such net operating loss carryforwards are not utilized, they will begin to expire in 2031.

The following table sets forth the tax years subject to examination for the major jurisdictions where the Company conducted business as of December 31, 2024:

Federal	2024
Utah	2024

Federal and state laws impose substantial restrictions on the utilization of NOL carryforwards in the event of an ownership change for income tax purposes, as defined in Section 382 of the Internal Revenue Code ("IRC"). Pursuant to IRC Section 382, annual use of the Company's NOL carryforwards may be limited in the event a cumulative change in ownership of more than 50% occurs within a three-year period. The Company has not completed an IRC Section 382 analysis regarding the limitation of NOL carryforwards.

However, it is possible that past ownership changes will result in the inability to utilize a significant portion of the Company's NOL carryforward that was generated prior to any change of control. The Company's ability to use its remaining NOL carryforwards may be further limited if the Company experiences an IRC Section 382 ownership change in connection with future changes in the Company's stock ownership.

The Tax Cuts and Jobs Act ("TCJA") requires taxpayers to capitalize and amortize research and experimental expenditures under IRC Section 174 for tax years beginning after December 31, 2021. This rule became effective for the Company during the year ended December 31, 2024 and resulted in the capitalization of research and development costs of $2,745,033 during the year ended December 31, 2024. Before the TCJA, businesses have had the option of deducting Section 174 expenses in the year incurred or capitalizing and amortizing the costs over five years. The Company will amortize these costs for tax purposes over five years if the research and development was performed in the U.S. and over 15 years if research and development was performed outside the U.S.

On August 16, 2022, the Inflation Reduction Act was enacted into law. This Act includes a 15.0 percent book minimum tax on the adjusted financial statement income of applicable corporations, a number of clean-energy tax credits, and a 1.0 percent excise tax on certain stock buybacks. The Company does not expect these changes to have a material impact on the provision for income taxes or the financial statements.

As of the date of this filing, the Company has not filed its 2024 federal and state corporate income tax returns. The Company expects to file these documents as soon as practicable.

NOTE 24 – CONCENTRATION OF CREDIT RISK

Cash Deposits

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. As of December 31, 2024 and 2023, the Company had approximately $9,662,000 and $4,251,124, respectively, in excess of the FDIC insured limit.

Purchasing

During the year ended December 31, 2024, six manufacturers accounted for approximately 50% of our purchases.

During the year ended December 31, 2023, five manufacturers accounted for approximately 52% of our purchases.

NOTE 25 – SUBSEQUENT EVENTS

PIPE Convertible Notes

One January 8, 2025, a PIPE Investor exercised its right, pursuant to the February 2, 2024, Purchase Agreement (see Note 11 – PIPE Convertible Notes) to purchase an additional $2.8 million in the principal amount of a PIPE Convertible Note with an Original Issue Discount of $280,000 for gross proceeds of $2.52 million.

On January 16, 2025, the Company and certain holders of the PIPE Convertible Notes entered into an amendment to the November Waiver (the "January Waiver") to extend the date by which the Company was required to comply with the continued listing requirements of the Nasdaq Stock Market to February 28, 2025 (see Note 1 – Nature of the Organization and Business); provided that, with respect to the minimum bid price requirement, to the extent the Company was in compliance with all other Nasdaq Stock Market listing requirements and had filed a preliminary proxy statement to hold a special meeting to vote on a reverse stock split to remedy the bid price failure, the waiver for such deficiency shall be extended to April 30, 2025.

During January 2025, the Company issued an aggregate of 2,672,854 shares of Class A common stock with fair values ranging from $0.396 - $2.50 per share to PIPE Convertible Note holders in connection with the conversion of outstanding PIPE Convertible Notes and accrued interest.

During February 2025, the Company issued 1,088,273 shares of Class A common stock with fair values ranging from $0.3393 - $2.50 per share to PIPE Convertible Note holders in connection with the conversion of outstanding PIPE Convertible Notes and accrued interest.

DEEP MEDICINE ACQUISITION CORP.

INDEX TO FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm (PCAOB ID Number 206)	F-1
Financial Statements:	
Balance Sheets as of March 31, 2023 and 2022	F-2
Statements of Operations for the Years Ended March 31, 2023 and 2022	F-3
Statements of Changes in Stockholders' Deficit for the Years Ended March 31, 2023 and 2022	F-4
Statements of Cash Flows for the Years Ended March 31, 2023 and 2022	F-5
Notes to Financial Statements for the Years Ended March 31, 2023 and 2022	F-6 to F-17

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
Deep Medicine Acquisition Corp.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Deep Medicine Acquisition Corp. (the "Company") as of March 31, 2023 and 2022, and the related statements of operations, stockholders' equity (deficit), and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Going Concern Matter

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As more fully described in Note 1 to the financial statements, the Company's business plan is dependent on the completion of a business combination within a prescribed period of time and if not completed will cease all operations except for the purpose of liquidating. The date for mandatory liquidation and subsequent dissolution raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ MaloneBailey, LLP
www.malonebailey.com
We have served as the Company's auditor since 2021.
Houston, Texas
May 30, 2023

DEEP MEDICINE ACQUISITION CORP.
BALANCE SHEETS

	March 31, 2023	March 31, 2022
Assets		
Current assets		
Cash	$ 595,536	$ 877,099
Prepaid expenses	20,408	315,306
Cash and marketable securities held in Trust Account	9,160,803	127,760,867
Total current assets	9,776,747	128,953,272
Total assets	$ 9,776,747	$ 128,953,272
Liabilities and Stockholders' (Deficit)		
Current liabilities		
Accrued expenses - related party	$ 6,000	$ 21,000
Accrued expenses	866,500	15,712
Taxes payable	57,569	-
Loan payable - related party	1,865,000	500,000
Total current liabilities	2,795,069	536,712
Non-current liabilities		
Deferred underwriting commissions	4,427,500	4,427,500
Total non-current liabilities	4,427,500	4,427,500
Total liabilities	7,222,569	4,964,212
Commitments		
Common stock subject to possible redemption, 830,210 shares at $10.90 per share and 12,650,000 shares at $10.10 per share as of March 31, 2023 and March 31, 2022, respectively	8,994,434	127,765,000
Stockholders' (Deficit)		
Preferred stock, $0.0001 par value, 1,000,000 shares authorized, -0- shares issued and outstanding as of March 31, 2023 and March 31, 2022	-	-
Class A Common stock, $0.0001 par value, 100,000,000 shares authorized, 3,783,200 and 620,700 shares issued and outstanding as of March 31, 2023 and March 31, 2022, respectively (excluding 830,210 shares and 12,650,000 shares, respectively, subject to possible redemption)	378	62
Class B Common stock, $0.0001 par value, 10,000,000 shares authorized, -0- shares and 3,162,500 shares issued and outstanding as of March 31, 2023 and March 31, 2022, respectively	-	316
Additional paid-in capital	-	-
Accumulated deficits	(6,440,634)	(3,776,318)
Total Stockholders' (Deficit)	(6,440,256)	(3,775,940)
Total Liabilities and Stockholders' (Deficit)	$ 9,776,747	$ 128,953,272

The accompanying notes are an integral part of the financial statements.

DEEP MEDICINE ACQUISITION CORP.
STATEMENTS OF OPERATIONS

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Operating expense		
Officers compensation	$ 60,000	$ 60,000
Franchise taxes	200,000	1,177
General and administrative expenses	1,907,122	348,735
Total operating expense	2,167,122	409,912
Other income		
Investment income (loss) on investments held in Trust Account	1,824,459	(4,133)
Total other income	1,824,459	(4,133)
Net (loss) before income tax	(342,663)	(414,045)
Income tax	57,569	-
Net income (loss)	(400,232)	(414,045)
Net (loss) per share		
Basic and diluted - Class A	$ (0.03)	$ (0.05)
Basic and diluted - Class B	$ (0.03)	$ (0.05)
Weighted average number of shares		
Basic and diluted - Class A	10,946,277	5,578,069
Basic and diluted - Class B	2,313,390	3,162,500

The accompanying notes are an integral part of the financial statements.

DEEP MEDICINE ACQUISITION CORP.
STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022

	Preferred Stock		Class A Common Stock		Class B Common Stock		Additional Paid-in	Accumulated	
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Deficits	Total
Balance, March 31, 2021	-	$ -	-	$ -	3,162,500	$ 316	$ 49,684	$ (59,395)	$ (9,395)
Class A common stock issued in IPO	-	-	12,650,000	1,265	-	-	126,498,735		126,500,000
Offering cost	-	-	-	-	-	-	(2,855,000)		(2,855,000)
Deferred underwriting commission	-	-	-	-	-	-	(4,427,500)		(4,427,500)
Class A common stock issued for services	-	-	101,200	10	-	-	(10)		-
Sale of 519,500 private units	-	-	519,500	52	-	-	5,194,948		5,195,000
Class A common stock subject to possible redemption	-	-	(12,650,000)	(1,265)	-	-	(127,763,735)		(127,765,000)
Reclassification from negative additional paid-in capital to accumulated deficit	-	-	-	-	-	-	3,302,878	(3,302,878)	-
Net (loss)	-	-	-	-	-	-		(414,045)	(414,045)
Balance, March 31, 2022	-	$ -	620,700	$ 62	3,162,500	$ 316	$ -	$ (3,776,318)	$ (3,775,940)
Conversion from Class B to Class A	-	-	3,162,500	316	(3,162,500)	(316)			-
Accretion for Class A common stock to redemption amount	-	-	-	-	-	-		(2,264,084)	(2,264,084)
Net (loss)	-	-	-	-	-	-		(400,232)	(400,232)
Balance, March 31, 2023	-	$ -	3,783,200	$ 378	0	$ -	$ -	$ (6,440,634)	$ (6,440,256)

The accompanying notes are an integral part of the financial statements.

DEEP MEDICINE ACQUISITION CORP.
STATEMENTS OF CASH FLOWS

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Cash flows from operating activities:		
Net (loss)	$ (400,232)	$ (414,045)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Investment income earned on investments held in Trust Account	(1,824,459)	4,133
Changes in operating assets and liabilities:		
Prepaid expenses	294,898	(277,806)
Accrued expenses	850,788	14,850
Accrued expenses - related parties	(15,000)	(25,000)
Taxes payable	57,569	-
Net cash (used in) operating activities	(1,036,436)	(697,868)
Cash flows from investing activities:		
Distribution for taxes payments	754,873	-
Cash released from trust account	121,034,650	-
Investment of cash in Trust Account	(1,365,000)	(127,765,000)
Net cash provided by (used in) investing activities	120,424,523	(127,765,000)
Cash flows from financing activities:		
Proceeds from extension loan – related parties	1,365,000	-
Cash used for common stock redemption	(121,034,650)	-
Proceeds from sale of Units, net of underwriting discounts paid	-	123,970,000
Proceeds from sale of Private Placement Units	-	5,195,000
Payment of offering costs	-	(325,000)
Due to related party	-	(100)
Net cash provided by (used in) financing activities	(119,669,650)	128,839,900
Net increase/(decrease) in cash and cash equivalents	(281,563)	377,032
Cash and cash equivalents at the beginning of the period	877,099	500,067
Cash and cash equivalents at the end of the period	$ 595,536	$ 877,099
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	$ -	$ -
Cash paid for income taxes	$ -	$ -
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Initial classification of common stock subject to possible redemption	$ -	$ 127,765,000
Deferred underwriting fee payable	$ -	$ 4,427,500
Additional shares issued to sponsor due to upsize of IPO	$ -	$ 28
Reclassification of Class A common stock	$ 316	$ -
Remeasurement for Class A common stock subject to possible redemption	$ 2,264,084	$ -

The accompanying notes are an integral part of the financial statements.

Note 1 - Organization and Description of Business Operations

The Company is a blank check company incorporated on July 8, 2020, under the laws of the State of Delaware for the purpose of entering into a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or other similar business combination with one or more businesses or entities (a "Business Combination"). While the Company may, subject to certain limitations, pursue a Business Combination target with operations or prospects in the digital healthcare and AI in medicine sector in the global market.

As of March 31, 2023, the Company had not commenced any operations. All activity for the period from July 8, 2020 (inception) through March 31, 2023, relates to the Company's formation and its initial public offering ("IPO"), which is described below, and subsequent to IPO, identifying a target company for a Business Combination. The Company will not generate any operating revenues until after the completion of a Business Combination, at the earliest. The Company will generate non-operating income in the form of interest income from the cash and marketable securities held in the Trust Account (as defined below). The Company has selected March 31 as its fiscal year end.

On October 29, 2021, the Company consummated its IPO of 12,650,000 units (the "Units" and, with respect to the shares of Class A common stock included in the Units, the "Public Shares") at $10.00 per unit, which included 1,650,000 Units issued pursuant to the full exercise by the Underwriters (as defined below) of their over-allotment option, and the private sale of an aggregate of 519,500 Units (the "Private Placement Units" and with respect to the shares of Class A common stock included in the Units, the "Private Placement Shares") to its sponsor, Bright Vision Sponsor LLC (the "Sponsor") and I-Bankers Securities, Inc. ("I-Bankers") at a purchase price of $10.00 per Private Placement Unit, generating gross proceeds of $5,195,000 to the Company that closed simultaneously with the closing of the IPO. On December 2, 2021, the Company's Units no longer traded, and shares of the Company's Class A common stock and rights underlying the Units commenced trading separately. On February 17, 2023, the Company's securities were transferred from Nasdaq Global Market to Nasdaq Capital Market ("Nasdaq").

Transaction costs amounted to $7,282,500 consisting of $2,530,000 in cash of underwriting commissions, $4,427,500 of business combination marketing fee, and $325,000 of other offering costs.

Upon the closing of the IPO on October 29, 2021, the Company deposited $127,765,000 ($10.10 per Unit) from the proceeds of the IPO and certain proceeds of the sales of Private Placement Units in the trust account ("Trust Account"), located in the United States and invested only in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act of 1940, as amended (the "Investment Company Act"), with a maturity of 185 days or less or in any open-ended investment company that holds itself out as a money market fund selected by the Company meeting certain conditions of Rule 2a-7 of the Investment Company Act, as determined by the Company, until the earlier of: (i) the completion of a Business Combination and (ii) the distribution of the funds held in the Trust Account, as described below.

Following the closing of the IPO, cash of $764,101 was held outside of the Trust Account (as defined below) and is available for working capital purposes. As of March 31, 2023, the Company had available cash of $595,536 on its balance sheet, including $554,873 distributed from the Trust Account for the tax payments, and a working capital deficit of $2,179,125. The Company's management has broad discretion with respect to the specific application of the net proceeds of the IPO and the sale of the Private Placement Units, although substantially all of the net proceeds are intended to be applied generally toward consummating a Business Combination.

On July 12, 2022, the Company entered into a definitive Business Combination Agreement ("Chijet Business Combination Agreement") with Chijet Inc. (together with its subsidiaries, "Chijet"), each of the referenced holders of Chijet's outstanding shares (collectively, the "Sellers"), Chijet Motor Company, Inc., a wholly-owned subsidiary of Chijet ("Pubco"), and Chijet Motor (USA) Company, Inc., a wholly-owned subsidiary of Pubco. Chijet indirectly holds an over 85% interest in Shandong Baoya New Energy Vehicle Co., Ltd., a Chinese company ("Baoya"), which is a producer and manufacturer of electric vehicles. In addition, Chijet indirectly holds an over 64% interest in FAW Jilin Automobile Co., Ltd., a Chinese company ("FAW Jilin"), which manufactures and sells traditional fuel vehicles. On September 6, 2022, Chijet Business Combination Agreement was amended to extend the due diligence period until and ended on September 20, 2022, which was subsequently extended to September 30, 2022 pursuant to the second amendment of Chijet Business Combination Agreement, dated September 16, 2022. On September 26, 2022, the Company terminated Chijet Business Combination Agreement and the Company is not obligated to pay any penalties pursuant to the terms of Chijet Business Combination Agreement as a result of the termination.

On March 31, 2023, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with DMAC Merger Sub Inc., a Nevada corporation and wholly-owned subsidiary of the Company ("Merger Sub"), TruGolf, Inc., a Nevada corporation ("TruGolf"), Bright Vision Sponsor LLC, a Delaware limited liability company, in the capacity as the representative for certain stockholders of the Company, and Christopher Jones, an individual, in the capacity as the representative for stockholders of TruGolf. Pursuant to the Merger Agreement, and subject to the terms and conditions set forth therein, upon the consummation of the transactions contemplated thereby (the "Closing"), Merger Sub will merge with and into TruGolf, with TruGolf surviving as a wholly-owned subsidiary of the Company, and with TruGolf's equity holders receiving shares of the Company's common stock.

The Company must complete a Business Combination with one or more operating businesses or assets that together have an aggregate fair market value equal to at least 80% of the net assets held in the Trust Account (net of amounts disbursed to management for working capital purposes, if permitted, and excluding the amount of any deferred underwriting commissions) at the time of the Company's signing a definitive agreement in connection with its initial Business Combination. The Company will only complete a Business Combination if the post-transaction company owns or acquires 50% or more of the outstanding voting securities of the target or otherwise acquires an interest in the target business or assets sufficient for it not to be required to register as an investment company under the Investment Company Act.

The Company will provide its stockholders with the opportunity to redeem all or a portion of their Public Shares upon the completion of a Business Combination either (i) in connection with a stockholder meeting called to approve the Business Combination or (ii) by means of a tender offer. The decision as to whether the Company will seek stockholder approval of a Business Combination or conduct a tender offer will be made by the Company. The stockholders will be entitled to redeem their shares for a pro rata portion of the amount held in the Trust Account (initially $10.10 per share), calculated as of two business days prior to the completion of a Business Combination, including any pro rata interest earned on the funds held in the Trust Account and not previously released to the Company to pay its tax obligations. The shares of Class A common stock are recorded at redemption value and classified as temporary equity upon the completion of the IPO, in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 480 "Distinguishing Liabilities from Equity."

The Company will proceed with a Business Combination only if the Company has net tangible assets of at least $5,000,001 upon such completion of a Business Combination and, if the Company seeks stockholder approval, a majority of the outstanding shares voted are voted in favor of the Business Combination.

If the Company seeks stockholder approval in connection with a Business Combination, the Sponsor has agreed to (i) waive its redemption rights with respect to any shares of Class A common stock held by them in connection with the completion of the Business Combination, (ii) waive its redemption rights with respect to any shares of Class A common stock held by them in connection with a stockholder vote to approve an amendment to the Company's second amended and restated certificate of incorporation (a) to modify the substance or timing of the Company's obligation to redeem 100% of the Public Shares if the Company does not complete the Business Combination within the Combination Period (as defined below) or (b) with respect to any other provision relating to stockholders' rights or pre-initial Business Combination activity and (iii) waive its rights to liquidating distributions from the Trust Account with respect to the shares of Class B common stock they purchased in March 2021 (the "Founder Shares") or Private Placement Shares if the Company fails to complete the Business Combination within the Combination Period (as defined below). In addition, the Sponsor has agreed to vote any share it held in favor of the Business Combination.

Additionally, each public stockholder may elect to redeem its Public Shares, without voting, and if they do vote, irrespective of whether they vote for or against a proposed Business Combination.

Notwithstanding the foregoing, if the Company seeks stockholder approval of a Business Combination and it does not conduct redemptions pursuant to the tender offer rules, the Company's second amended and restated certificate of incorporation provides that a public stockholder, together with any affiliate of such stockholder or any other person with whom such stockholder is acting in concert or as a "group" (as defined under Section 13 of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), will be restricted from redeeming its shares with respect to more than an aggregate of 15% of the Public Shares without the Company's prior written consent.

The Company initially had until October 29, 2022 (or April 29, 2023 if the Company may extend the period of time to consummate a Business Combination) (the "Initial Combination Period") to complete a Business Combination. On October 19, 2022, an aggregate of $1,265,000 was deposited into the Company's Trust Account to extend the Company's time to consummate a Business Combination from October 29, 2022 to January 29, 2023, which amount will be included in the pro rata amount distributed to (i) all of the holders of the Class A common stock sold in the Company's IPO ("Public Shares") upon the Company's liquidation or (ii) holders of Public Shares who elect to have their shares redeemed in connection with the consummation of the Company's initial Business Combination. If the Company is unable to complete a Business Combination within the Combination Period (as defined below), the Company will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but no more than 10 business days thereafter, redeem 100% of the outstanding Public Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest earned (less up to $50,000 of interest to pay dissolution expenses), divided by the number of then outstanding Public Shares, which redemption will completely extinguish public stockholders' rights as stockholders (including the right to receive further liquidation distributions, if any), and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the remaining stockholders and the Company's board of directors, dissolve and liquidate, subject in each case to the Company's obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law.

The Sponsor has agreed to waive its liquidation rights with respect to the Founder Shares and Private Placement Shares if the Company fails to complete a Business Combination within the Combination Period (as defined below). However, if the Sponsor acquires Public Shares in or after the IPO, such Public Shares will be entitled to liquidating distributions from the Trust Account if the Company fails to complete a Business Combination within the Combination Period (as defined below). The underwriters have agreed to waive their rights to their business combination marketing fees (see Note 9) held in the Trust Account in the event the Company does not complete a Business Combination within the Initial Combination Period and, in such event, such amounts will be included with the funds held in the Trust Account that will be available to fund the redemption of the Public Shares. In the event of such distribution, it is possible that the per share value of the assets remaining available for distribution will be less than the IPO price per Unit ($10.10).

The Sponsor has agreed that it will be liable to the Company, if and to the extent any claims by a third party for services rendered or products sold to the Company, or by a prospective target business with which the Company has discussed entering into a transaction agreement, reduce the amount of funds in the Trust Account to below (1) $10.10 per Public Share or (2) such lesser amount per Public Share held in the Trust Account as of the date of the liquidation of the Trust Account due to reductions in the value of trust assets, in each case net of the amount of interest which may be withdrawn to pay taxes. This liability will not apply with respect to any claims by a third party who executed a waiver of any and all rights to seek access to the Trust Account nor will it apply to any claims under the Company's indemnity of the underwriters of the IPO against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act"). Moreover, in the event that an executed waiver is deemed to be unenforceable against a third party, the Sponsor will not be responsible to the extent of any liability for such third-party claims. The Company will seek to reduce the possibility that the Sponsor will have to indemnify the Trust Account due to claims of creditors by endeavoring to have all vendors, service providers (other than the Company's independent auditors), prospective target businesses or other entities with which the Company does business, execute agreements with the Company waiving any right, title, interest or claim of any kind in or to monies held in the Trust Account.

On December 23, 2022, the Company held a special meeting of stockholders in lieu of an annual meeting of stockholders (the "Meeting"). At the Meeting, the Company's stockholders approved an amendment to the Company's Second Amended and Restated Certificate of Incorporation (the "Charter Amendment") to (i) extend the date by which the Company must consummate its initial Business Combination from January 29, 2023 to July 29, 2023 (the "Combination Period"), or such earlier date as determined by the Company's board of directors and (ii) provide for the right of a holder of Class B common stock of the Company to convert into Class A common stock of the Company on a one-for-one basis prior to the closing of an initial Business Combination. Subsequently, the Charter Amendment was filed with the Secretary of State of the State of Delaware and stockholders holding all of the issued and outstanding Class B common stock of the Company elected to convert their Class B common stock into Class A common stock of the Company on a one-for-one basis. The Combination Period is extended to July 29, 2023, provided that an additional amount of $50,000 will be deposited into the Trust Account for each month after January 29, 2023.

Accordingly, an aggregate of $100,000 was deposited into the Trust Account as of March 31, 2023 and an additional $100,000 has been deposited subsequently. In addition, 3,162,500 shares of Class B common stock of the Company were cancelled, and 3,162,500 shares of Class A Common Stock were issued to such converting Class B stockholders. The 3,162,500 shares of Class A common stock issued pursuant to the conversion are subject to the same restrictions applicable to the Class B common stock before the conversion, including, among other things, certain transfer restrictions, waiver of redemption rights and the obligation to vote in favor of an initial Business Combination as described in the prospectus for our IPO. Additionally, stockholders holding 11,819,790 shares of the Public Shares exercised their right to redeem such shares for a pro rata portion of the funds in the Company's Trust Account. As a result, $121,034,650 (approximately $10.24 per share) was removed from the Company's Trust Account to pay such holders. Following redemptions, the Company had 830,210 Public Shares outstanding.

Underwriting Agreement and Business Combination Marketing Agreement

The Company engaged I-Bankers as the representative of the underwriters (the "Underwriters") in the IPO of the Company's Class A common stock for $110 million and the simultaneous listing on Nasdaq. Pursuant to that certain underwriting agreement, I-Bankers acted as the representative of the Underwriters of the IPO for 11,000,000 Units at $10.00 per Unit, plus an over-allotment option equal to 15% of the number of Units offered, or 1,650,000 Units, which was exercised in full simultaneously upon the closing of the IPO. The Company paid I-Bankers underwriters' commission of $2,530,000, equal to 2.0% of the gross proceeds raised in the IPO for such services upon the consummation of the IPO (exclusive of any applicable finders' fees which might become payable).

Upon the closing of the IPO, the Company issued to I-Bankers a five-year warrant to purchase 632,500 Shares of Class A common stock, equal to 5.0% of the Shares issued in the IPO ("Representative Warrants"). The exercise price of Representative Warrants is $12.00 per Share. In addition, I-Bankers was issued 101,200 shares of Class A common stock upon the consummation of IPO ("Representative Shares").

In addition, under a business combination marketing agreement, the Company has engaged I-Bankers as an advisor in connection with the Business Combination and will pay I-Bankers a cash fee for such marketing services upon the consummation of the Business Combination in an amount equal to, in the aggregate, 3.5% of the gross proceeds of the IPO, including any proceeds from the exercise of the underwriters' over-allotment option. The fee will become payable to the Underwriters from the amounts held in the Trust Account solely in the event that the Company completes a Business Combination, subject to the terms of the underwriting agreement.

Liquidity and Capital Resources

The Company has principally financed its operations from inception using proceeds from the sale of its equity securities to its stockholders prior to the IPO, proceeds from related party loan and such amount of proceeds from the IPO that were placed in an account outside of the Trust Account for working capital purposes. Until the consummation of a Business Combination, the Company will be using the funds not held in the Trust Account for identifying and evaluating prospective acquisition candidates, performing due diligence on prospective target businesses, paying for travel expenditures, selecting the target business to acquire, and structuring, negotiating and consummating the Business Combination.

As of March 31, 2023 and March 31, 2022, the Company had loans payable to the Sponsor and its affiliates in amount of $1,865,000 and $500,000, respectively, including a promissory note of up to $500,000, dated March 15, 2021, between the Company and the Sponsor (the "Sponsor Note"). The Sponsor Note is unsecured with zero interest. These amounts will be repaid upon completion of an initial Business Combination. Under no circumstances shall any individual, including but not limited to any officer, director, employee or stockholder of the Company, be obligated personally for any obligations or liabilities of the Sponsor Note.

On October 15, 2022, the Company issued two promissory notes in an aggregate principal amount of $1,265,000 (collectively, the "Sponsor Affiliate Notes") to two affiliates of the Company's Sponsor (collectively, the "Sponsor Affiliates"), in connection with the extension of the Initial Combination Period from October 29, 2022 to January 29, 2023. The Sponsor Affiliate Notes bear no interest and are repayable in full upon the earlier of (a) the date of the consummation of the Company's initial Business Combination, or (b) the date of the liquidation of the Company.

On October 19, 2022, an aggregate of $1,265,000 was deposited into the Trust Account, which amount will be included in the pro rata amount distributed to (i) holders of Public Shares upon the Company's liquidation or (ii) holders of Public Shares who elect to have their shares redeemed in connection with the consummation of the Company's initial Business Combination.

On February 9, 2023, the Company issued a promissory note in an aggregate principal amount of $300,000 to an affiliate of the Company's Sponsor, in connection with the extension of the Company's time to consummate an initial Business Combination from January 29, 2023 to July 29, 2023, provided that a monthly payment of $50,000 will be deposited into the Trust Account after January 29, 2023. This note bears no interest and is repayable in full upon the earlier of (a) the date of the consummation of the Company's initial Business Combination, or (b) the date of the liquidation of the Company. Accordingly, an aggregate of $100,000 was deposited into the Company's Trust Account as of March 31, 2023 and an additional $100,000 has been deposited subsequently.

The Company may need to raise additional capital through loans or additional investments from its Sponsor, stockholders, officers, directors, or third parties. The Company's officers, directors and Sponsor may, but are not obligated to (other than as described above), loan the Company funds, from time to time or at any time, in whatever amount they deem reasonable in their sole discretion, to meet the Company's working capital needs. Accordingly, the Company may not be able to obtain additional financing. If the Company is unable to raise additional capital, it may be required to take additional measures to conserve liquidity, which could include, but not necessarily be limited to, curtailing operations, suspending the pursuit of a potential transaction, and reducing overhead expenses. The Company cannot provide any assurance that new financing will be available to it on commercially acceptable terms, if at all.

Risks and Uncertainties

Management continues to evaluate the impact of the COVID-19 pandemic on the industry and has concluded that while it is reasonably possible that the virus could have a negative effect on the Company's financial position, results of its operations, and/or search for a target company, the specific impact is not readily determinable as of the date of this financial statement. The financial statement does not include any adjustments that might result from the outcome of this uncertainty.

Going Concern and Management's Plan

The Company expects to incur significant costs in pursuit of its acquisition plans and will not generate any operating revenues until after the completion of its initial Business Combination. In addition, the Company expects to have negative cash flows from operations as it pursues an initial Business Combination target. In connection with the Company's assessment of going concern considerations in accordance with FASB Accounting Standards Update ("ASU") Topic 2014-15, "Disclosures of Uncertainties about an Entity's Ability to Continue as a Going Concern" the Company does not currently have adequate liquidity to sustain operations, which consist solely of pursuing a Business Combination.

The Company may raise additional capital through loans or additional investments from the Sponsor or its stockholders, officers, directors, or third parties. The Company's officers and directors and the Sponsor may, but are not obligated to (except as described above), loan the Company funds, from time to time, in whatever amount they deem reasonable in their sole discretion, to meet the Company's working capital needs. Based on the foregoing, the Company believes it will have sufficient cash to meet its needs through the earlier of consummation of a Business Combination or the deadline to complete a Business Combination pursuant to the Company's Amended and Restated Certificate of Incorporation (unless otherwise amended by stockholders).

While the Company expects to have sufficient access to additional sources of capital if necessary, there is no current commitment on the part of any financing source to provide additional capital and no assurances can be provided that such additional capital will ultimately be available. These conditions raise substantial doubt about the Company's ability to continue as a going concern until the consummation of a Business Combination or for a period of time within one year after the date that these financial statements are issued. There is no assurance that the Company's plans to raise additional capital (to the extent ultimately necessary) or to consummate a Business Combination will be successful or successful within the Combination Period. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

As is customary for a special purpose acquisition company, if the Company is not able to consummate a Business Combination during the Combination Period, it will cease all operations and redeem the Public Shares. Management plans to continue its efforts to consummate a Business Combination during the Combination Period.

Note 2 - Significant Accounting Policies

Basis of Presentation

The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States of America ("GAAP") and pursuant to the rules and regulations of US Securities and Exchange Commission ("SEC").

Emerging Growth Company Status

The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act and modified by the Jumpstart our Business Startups Act of 2012 (the "JOBS Act"), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of expenses during the reporting period. Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statement, which management considered in formulating its estimate, could change in the near term due to one or more future confirming events. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash equivalents are carried at cost, which approximates fair value. The Company had cash of $595,536 on its balance sheet, including $554,873 distributed from the Trust Account for the tax payments as of March 31, 2023, and cash of $877,099 as of March 31, 2022. The Company had no cash equivalent as of March 31, 2023 and March 31, 2022.

Marketable Securities Held in Trust Account

At March 31, 2023, substantially all of the assets held in the Trust Account were held in money market funds, which are invested primarily in U.S. Treasury securities. The Company's investments held in the Trust Account are classified as trading securities. Trading securities are presented on the balance sheet at fair value at the end of each reporting period. Gains and losses resulting from the change in fair value of investments held in Trust Account are included in interest earned on marketable securities held in Trust Account in the accompanying statements of operations. The estimated fair values of investments held in Trust Account are determined using available market information. As of March 31, 2023 and March 31, 2022, the marketable securities held in the Trust Account were $9,160,803 and $127,760,867, respectively.

Common Stock Subject to Possible Redemption

The Company accounts for its common stock subject to possible redemption in accordance with the guidance in ASC Topic 480 "Distinguishing Liabilities from Equity." Common stock subject to mandatory redemption are classified as a liability instrument and are measured at fair value. Conditionally redeemable common stock (including common stock that feature redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company's control) are classified as temporary equity. At all other times, common stock is classified as stockholders' equity. The Company's common stock feature certain redemption rights that are considered to be outside of the Company's control and subject to occurrence of uncertain future events. Accordingly, common stock subject to possible redemption are presented at redemption value as temporary equity, outside of the stockholders' equity section of the Company's balance sheet.

The Company recognizes changes in redemption value immediately as they occur and adjusts the carrying value of redeemable common stock to equal the redemption value at the end of each reporting period. Immediately upon the closing of the IPO, the Company recognized the remeasurement from initial book value to redemption value. The change in the carrying value of redeemable common stock resulted in charges against additional paid-in capital and accumulated deficit.

At March 31, 2023, the common stock subject to redemption reflected in the balance sheet are reconciled in the following table:

Gross proceeds	$	126,500,000
Less:		
Common stock issuance costs		(2,855,000)
Plus:		
Remeasurement of carrying value to redemption value		4,120,000
Common stock subject to possible redemption, March 31, 2022	$	127,765,000
Less:		
Distribution for redemption		(121,034,650)
Plus:		
Remeasurement of carrying value to redemption value		2,264,084
Common stock subject to possible redemption, March 31, 2023	$	8,994,434

Fair Value of Financial Instruments

The fair value of the Company's assets and liabilities, which qualify as financial instruments under ASC Topic 820, "Fair Value Measurements and Disclosures," approximates the carrying amounts represented in the accompanying balance sheet, primarily due to their short-term nature.

Fair Value Measurements

The Company follows the guidance in ASC Topic 820 for its financial assets and liabilities that are re-measured and reported at fair value at each reporting period, and non-financial assets and liabilities that are re-measured and reported at fair value at least annually.

The fair value of the Company's financial assets and liabilities reflects management's estimate of amounts that the Company would have received in connection with the sale of the assets or paid in connection with the transfer of the liabilities in an orderly transaction between market participants at the measurement date. In connection with measuring the fair value of its assets and liabilities, the Company seeks to maximize the use of observable inputs (market data obtained from independent sources) and to minimize the use of unobservable inputs (internal assumptions about how market participants would price assets and liabilities). The following fair value hierarchy is used to classify assets and liabilities based on the observable inputs and unobservable inputs used in order to value the assets and liabilities:

Level 1: Quoted prices in active markets for identical assets or liabilities. An active market for an asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Observable inputs other than Level 1 inputs. Examples of Level 2 inputs include quoted prices in active markets for similar assets or liabilities and quoted prices for identical assets or liabilities in markets that are not active.

Level 3: Unobservable inputs based on our assessment of the assumptions that market participants would use in pricing the asset or liability.

Warrants

ASC Topic 480 requires a reporting entity to classify certain freestanding financial instruments as liabilities (or in some cases as assets). ASC 480-10-S99 addresses concerns raised by the SEC regarding the financial statement classification and measurement of securities subject to mandatory redemption requirements or whose redemption is outside the control of the issuer. If the stock subject to mandatory redemption provisions represents the only shares in the reporting entity, it must report instruments in the liabilities section of its statement of financial position. The stock subject must then describe them as shares subject to mandatory redemption, so as to distinguish the instruments from other financial statement liabilities. The Company concludes that the warrants to I-Bankers do not exhibit any of the above characteristics and, therefore, are outside the scope of ASC 480. The warrants were issued in accordance with the guidance contained in ASC 815-40, Derivatives and Hedging — Contracts in Entity's Own Equity.

Stock Based Compensation

The Company recognizes compensation costs to employees under FASB Accounting Standards Codification 718 "Compensation - Stock Compensation" ("ASC 718"). Under ASC 718, companies are required to measure the compensation costs of share-based compensation arrangements based on the grant-date fair value and recognize the costs in the financial statements over the period during which employees are required to provide services. Share based compensation arrangements include stock options and warrants. As such, compensation cost is measured on the date of grant at their fair value. Such compensation amounts, if any, are amortized over the respective vesting periods of the option grant.

On July 8, 2020, the inception date, the Company adopted ASU No. 2018-07 "Compensation - Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting." These amendments expand the scope of Topic 718, Compensation - Stock Compensation (which currently only includes share-based payments to employees) to include share-based payments issued to nonemployees for goods or services. Consequently, the accounting for share-based payments to nonemployees and employees will be substantially aligned.

Income Taxes

The Company accounts for income taxes under FASB ASC 740, "Income Taxes" ("ASC 740"). ASC 740 requires the recognition of deferred tax assets and liabilities for both the expected impact of differences between the financial statement and tax basis of assets and liabilities and for the expected future tax benefit to be derived from tax loss and tax credit carry forwards. ASC 740 additionally requires a valuation allowance to be established when it is more likely than not that all or a portion of deferred tax assets will not be realized.

ASC 740 also clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim period, disclosure and transition.

The Company is subject to income tax examinations by major taxing authorities since inception. These examinations may include questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions and compliance with federal and state tax laws. The Company's management does not expect that the total amount of unrecognized tax benefits will materially change over the next twelve months.

During the year ended March 31, 2023, the Company generated taxable income of $274,139 and thus accrued and recognized income tax expense of $57,569. Significant components of the Company's deferred tax assets and liabilities as of March 31, 2023 and March 31, 2022 after applying enacted corporate income tax rate, is net operating loss carryforward of $0 and $0, and a valuation allowance of $0 and $0, respectively, which the total deferred tax asset was $0 in both years ended March 31, 2023 and March 31, 2022.

The realization of deferred tax assets, including net operating loss carryforwards, is dependent on the generation of future taxable income sufficient to realize the tax deductions, carryforwards, and credits. Valuation allowances on deferred tax assets are recognized if it is determined that it is more likely than not that the asset will not be realized.

Net Loss per Share of Common Stock

The Company complies with accounting and disclosure requirements ASC Topic 260, "Earnings per Share." Net loss per share of common stock is computed by dividing net loss by the weighted average number of shares of common stock issued and outstanding for the period, excluding shares of common stock subject to forfeiture. At March 31, 2023 and March 31, 2022, the Company did not have any dilutive securities and other contracts that could, potentially, be exercised or converted into shares of common stock and then share in the earnings (loss) of the Company. As a result, diluted loss per share of common stock is the same as basic loss per share of common stock for the period.

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Numerator:		
Net loss	$ (400,232)	$ (414,045)
Denominator:		
Basic and diluted loss per share – Class A	$ (0.03)	(0.05)
Basic and diluted loss per share – Class B	$ (0.03)	$ (0.05)
Denominator for basic and diluted earnings per share - Weighted-average shares of Class A common stock issued and outstanding during the period	10,946,277	5,578,069
Denominator for basic and diluted earnings per share - Weighted-average shares of Class B common stock issued and outstanding during the period	2,313,390	3,162,500

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash accounts in a financial institution, which, at times may exceed the Federal Depository Insurance Coverage of $250,000. The Company has not experienced losses on these accounts.

Recent Accounting Pronouncements

In August 2020, the FASB issued FASB ASU Topic 2020-06, Debt — Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging — Contracts in Entity's Own Equity (Subtopic 815-40) ("ASU 2020-06") to simplify accounting for certain financial instruments. ASU 2020-06 eliminates the current models that require separation of beneficial conversion and cash conversion features from convertible instruments and simplifies the derivative scope exception guidance pertaining to equity classification of contracts in an entity's own equity. The new standard also introduces additional disclosures for convertible debt and freestanding instruments that are indexed to and settled in an entity's own equity. ASU 2020-06 amends the diluted earnings per share guidance, including the requirement to use the if-converted method for all convertible instruments. ASU 2020-06 is effective January 1, 2022 and should be applied on a full or modified retrospective basis, with early adoption permitted beginning on January 1, 2021. The adoption of ASU 2020-06 did not have an impact on the Company's financial statements.

Management does not believe that any other recently issued, but not effective, accounting standards, if currently adopted, would have a material effect on the Company's financial statements.

Note 3 - Related Party Transactions

Accrued Expenses - Related Parties

As of March 31, 2023 and March 31, 2022, the Company had accrued expenses – related parties in amount of $6,000 and $21,000, respectively, of which $6,000 was in connection with the accrued non-cash compensation to the Company's management and directors. Pursuant to the executed Offer Letters, the Company agreed to pay the Company's Chief Financial Officer $5,000 in cash per month starting from August 1, 2020, and the Company's officers and directors an aggregate of 300,000 post Business Combination shares within 10 days following a Business Combination, with the same lock-up restrictions and registration rights as the Founder Shares. The fair value of this stock issuance was determined by the fair value of the Company's Common Stock on the grant date, at a price of $0.02 per share. As of March 31, 2023 and March 31, 2022, the accrued expenses related to the cash compensation to the Company's Chief Financial Officer was $0 and $15,000, respectively.

Loan Payable – Related Party

As of March 31, 2023 and March 31, 2022, the Company had loans payable to the Sponsor and its affiliates in amount of $1,865,000 and $500,000, respectively, including a promissory note of up to $500,000, dated March 15, 2021, between the Company and the Sponsor (the "Sponsor Note"). The Sponsor Note is unsecured with zero interest. The proceeds of the Sponsor Note were used to pay a portion of the offering expenses of the IPO. These amounts will be repaid upon completion of an initial Business Combination. Under no circumstances shall any individual, including but not limited to any officer, director, employee or stockholder of the Company, be obligated personally for any obligations or liabilities of the Sponsor Note.

On October 15, 2022, the Company issued the Sponsor Affiliate Notes in an aggregate principal amount of $1,265,000 to the Sponsor Affiliates, in connection with the extension of the Initial Combination Period from October 29, 2022 to January 29, 2023. The Sponsor Affiliate Notes bear no interest and are repayable in full upon the earlier of (a) the date of the consummation of the Company's initial Business Combination, or (b) the date of the liquidation of the Company. On October 19, 2022, an aggregate of $1,265,000 was deposited into the Company's Trust Account, which amount will be included in the pro rata amount distributed to (i) holders of Public Shares upon the Company's liquidation or (ii) holders of Public Shares who elect to have their shares redeemed in connection with the consummation of the Company's initial Business Combination.

On February 9, 2023, the Company issued a promissory note in an aggregate principal amount of $300,000 to an affiliate of the Company's Sponsor, in connection with the extension of the Company's time to consummate an initial Business Combination from January 29, 2023 to July 29, 2023, provided that a monthly payment of $50,000 will be deposited into the Trust Account after January 29, 2023. This note bears no interest and is repayable in full upon the earlier of (a) the date of the consummation of the Company's initial Business Combination, or (b) the date of the liquidation of the Company. Accordingly, an aggregate of $100,000 has been deposited into the Company's Trust Account as of March 31, 2023 and additional $100,000 has been deposited subsequently.

Working Capital Loans

In addition, in order to finance transaction costs in connection with a Business Combination, the Sponsor, an affiliate of the Sponsor, or certain of the Company's officers and directors or their affiliates may, but are not obligated to, loan the Company funds as may be required ("Working Capital Loans"). If the Company completes a Business Combination, the Company would repay the Working Capital Loans out of the proceeds of the Trust Account released to the Company. Otherwise, the Working Capital Loans would be repaid only out of funds held outside the Trust Account. In the event that a Business Combination does not close, the Company may use a portion of proceeds held outside the Trust Account to repay the Working Capital Loans but no proceeds held in the Trust Account would be used to repay the Working Capital Loans. The Working Capital Loans would either be repaid upon consummation of a Business Combination, without interest, or, at the lender's discretion, up to $1.5 million of such Working Capital Loans may be convertible into private placement- equivalent units at a price of $10.00 per unit at the option of the lender. Such units would be identical to the Private Placement Units. Except for the foregoing, the terms of such Working Capital Loans, if any, have not been determined and no written agreements exist with respect to such loans. As of March 31, 2023 and March 31, 2022, no Working Capital Loans were outstanding.

Note 4 - Commitments and Contingency

Registration Rights

The holders of the Founder Shares, Private Placement Units (and their underlying securities), the Representative Shares, the Representative Warrants (and their underlying securities), the 300,000 shares of Class A common stock issuable to the Company's directors and officers within 10 days following the Business Combination and any Units that may be issued upon conversion of the Working Capital Loans (and their underlying securities) will be entitled to registration rights pursuant to a registration rights agreement to be signed prior to or on the effective date of the IPO requiring the Company to register such securities for resale (in the case of the Founder Shares, only after conversion to Class A common stock). The holders of these securities are entitled to make up to three demands, excluding short form demands, that the Company register such securities. In addition, the holders have certain "piggy-back" registration rights with respect to registration statements filed subsequent to the completion of a Business Combination and rights to require the Company to register for resale such securities pursuant to Rule 415 under the Securities Act. The registration rights agreement does not contain liquidated damages or other cash settlement provisions resulting from delays in registering the Company's securities. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

Underwriting Agreement

The Company had granted the Underwriters a 30-day option from the date of IPO to purchase up to 1,650,000 additional Units to cover over-allotments, if any, at the IPO price less the underwriting discounts and commissions.

Simultaneously upon the closing of the IPO, the Underwriters exercised the over-allotment option in full. As such, the Underwriters were paid an underwriting discount and commission of $0.20 per Unit, or $2,530,000 in the aggregate payable upon the closing of the IPO, and I-Bankers was entitled to a business combination marketing fee of $4,427,500 in the aggregate, which is held in the Trust Account and payable upon completion of the Business Combination.

Note 5 - Stockholders' Equity

The Company is authorized to issue a total of 111,000,000 shares, par value of $0.0001 per share, consisting of (a) 110,000,000 shares of common stock, including (i) 100,000,000 shares of Class A common stock, and (ii) 10,000,000 shares of Class B common stock, and (b) 1,000,000 shares of preferred stock (the "Preferred Stock").

As of March 31, 2023 and March 31, 2022, no shares of Preferred Stock were issued or outstanding. The designations, voting and other rights and preferences of the Preferred Stock may be determined from time to time by the Company's board of directors.

As of March 31, 2023 and March 31, 2022, there were 3,783,200 shares and 620,700 shares of Class A common stock issued and outstanding, respectively, excluding 830,210 shares and 12,650,000 shares of Class A common stock, respectively, which are subject to possible redemption and presented as temporary equity.

As of March 31, 2023 and March 31, 2022, there were no shares and 3,162,500 shares of Class B common stock issued and outstanding, respectively.

Subsequent to the Company's special meeting of stockholders held on December 23, 2022, stockholders holding all of the issued and outstanding Class B common stock of the Company elected to convert their Class B common stock into Class A common stock of the Company on a one-for-one basis. The Combination Period is extended to July 29, 2023, provided that an additional amount of $50,000 will be deposited into the Trust Account for each month after January 29, 2023. In addition, 3,162,500 shares of Class B common stock of the Company were cancelled, and 3,162,500 shares of Class A Common Stock were issued to such converting Class B stockholders. The 3,162,500 shares of Class A common stock issued pursuant to the conversion are subject to the same restrictions applicable to the Class B common stock before the conversion, including, among other things, certain transfer restrictions, waiver of redemption rights and the obligation to vote in favor of an initial Business Combination as described in the prospectus for our IPO. Additionally, stockholders holding 11,819,790 shares of the Public Shares exercised their right to redeem such shares for a pro rata portion of the funds in the Company's Trust Account. As a result, $121,034,650 (approximately $10.24 per share) was removed from the Company's Trust Account to pay such holders. Following redemptions, the Company had 830,210 Public Shares outstanding.

Rights

Each holder of a right will receive one-tenth (1/10) of one share of Class A common stock upon consummation of a Business Combination. In the event the Company will not be the surviving entity upon completion of the Company's initial Business Combination, each holder of a public right will automatically receive the 1/10 share of Class A common stock underlying such public right (without paying any additional consideration); and each holder of a Private Placement Right or right underlying Units to be issued upon conversion of the Working Capital Loans will be required to affirmatively convert its rights in order to receive the 1/10 share of Class A common stock underlying each right (without paying any additional consideration). If the Company is unable to complete an initial Business Combination within the required time period and public stockholders redeem the public shares for the funds held in the Trust Account, holders of rights will not receive any such funds in exchange for their rights and the rights will expire worthless. The Company will not issue fractional shares upon conversion of the rights. If, upon conversion of the rights, a holder would be entitled to receive a fractional interest in a share, the Company will, upon exchange, comply with Section 155 of the Delaware General Corporation Law. The Company will make the determination of how to treat fractional shares at the time of its initial Business Combination and will include such determination in the proxy materials that it will send to stockholders for their consideration of such initial Business Combination.

If the Company is unable to complete a Business Combination within the Combination Period and the Company liquidates the funds held in the Trust Account, holders of rights will not receive any of such funds with respect to their rights, nor will they receive any distribution from the Company's assets held outside of the Trust Account with respect to such rights, and the rights will expire worthless. Further, there are no contractual penalties for failure to deliver securities to the holders of the rights upon consummation of a Business Combination.

Additionally, in no event will the Company be required to net cash settle the rights, and the rights may expire worthless.

Representative Warrants and Representative Shares

Upon the closing of the IPO, the Company issued to the Underwriters Representative Warrants, the exercise price of which will be $12.00 per Share, and 101,200 Representative Shares.

The Representative Warrants shall be exercisable, in whole or in part, commencing the later of October 26, 2022 and the closing of the Company's initial Business Combination and terminating on October 29, 2026. The Company accounted for the 632,500 warrants as an expense of the IPO resulting in a charge directly to stockholders' equity. The fair value of Representative Warrants was estimated to be approximately $1,333,482 (or $2.11 per warrant) using the Black-Scholes option-pricing model. The fair value of the Representative Warrants granted to the Underwriters was estimated as of the date of grant using the following assumptions: (1) expected volatility of 35%, (2) risk-free interest rate of 1.18% and (3) expected life of five years. The Representative Warrants and the shares of Class A common stock underlying Representative Warrants have been deemed compensation by FINRA and are therefore subject to a 180-day lock-up immediately following October 29, 2021 pursuant to FINRA Rule 5110(e)(1).

The Representative Warrants grants to holders demand and "piggy back" rights for periods of five and seven years from October 29, 2021. The Company will bear all fees and expenses attendant to registering the securities, other than underwriting commissions which will be paid for by the holders themselves. The exercise price and number of shares issuable upon exercise of the Representative Warrants may be adjusted in certain circumstances including in the event of a stock dividend, or the Company's recapitalization, reorganization, merger or consolidation. However, the Representative Warrants will not be adjusted for issuances of Class A common stock at a price below its exercise price.

The Underwriters agreed not to transfer, assign or sell any of the Representative Shares without the Company's prior written consent until the completion of the Business Combination. The Underwriters agreed (i) to waive its redemption rights with respect to such shares in connection with the completion of the initial Business Combination and (ii) to waive its rights to liquidating distributions from the Trust Account with respect to the Representative Shares if the Company fails to complete its initial Business Combination within Initial Combination Period. The shares have been deemed compensation by FINRA and are therefore subject to a lock-up for a period of 180 days immediately following October 29, 2021 pursuant to FINRA Rule 5110(e)(1).

Note 6 - Fair Value Measurements

The following table presents information about the Company's assets that are measured at fair value on a recurring basis at March 31, 2023 and March 31, 2022 and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

Description	Level	March 31, 2023	March 31, 2022
Assets:			
Marketable securities held in Trust Account	1	$ 9,160,803	$ 127,760,867

Note 7 – Subsequent Events

The Company evaluated subsequent events and transactions that occurred after the balance sheet date through the filing date of our Form 10-K for the year ended March 31, 2023. Based upon this review, the Company did not identify any subsequent events that would have required adjustment or disclosure in the financial statements.

UNAUDITED FINANCIAL STATEMENTS

THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

TRUGOLF HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2025 (Unaudited)	December 31, 2024
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 10,515,820	$ 8,782,077
Restricted cash	2,100,000	2,100,000
Accounts receivable, net	1,579,614	1,399,153
Inventory, net	3,852,977	2,349,345
Prepaid expenses and other current assets	189,961	116,619
Other current assets	-	45,737
Total Current Assets	18,238,372	14,792,931
Property and equipment, net	192,711	143,852
Capitalized software development costs, net	1,710,652	1,540,121
Right-of-use assets	545,915	634,269
Other long-term assets	31,023	31,023
Total Assets	$ 20,718,673	$ 17,142,196
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Accounts payable	$ 2,563,454	$ 2,819,703
Deferred revenue	4,141,790	3,113,010
Notes payable, current portion	10,148	10,001
Notes payable to related parties, current portion	2,937,000	2,937,000
Line of credit, bank	802,738	802,738
Dividend notes payable	4,023,923	4,023,923
Accrued interest	565,402	661,376
Accrued and other current liabilities	2,823,067	999,307
Accrued and other current liabilities - assumed in Merger	45,008	45,008
Lease liability, current portion	296,291	363,102
Total Current Liabilities	18,208,821	15,775,168
Non-current Liabilities:		
Notes payable, net of current portion	7,137	9,732
Note payables to related parties, net of current portion	624,000	624,000
PIPE loan payable, net	5,165,893	4,068,953
Gross sales royalty payable	1,000,000	1,000,000
Lease liability, net of current portion	278,071	305,125
Total Liabilities	25,283,922	21,782,978
Commitments and Contingencies		
Stockholders' Deficit:		
Preferred stock, $0.0001 par value, 10 million shares authorized; zero shares issued and outstanding, respectively	-	-
Common stock, $0.0001 par value, 100,000,000 shares authorized:		
Common stock - Series A, $0.0001 par value, 90 million shares authorized; 29,184,965 and 26,120,545 shares issued and outstanding, respectively	2,918	2,612
Common stock - Series B, $0.0001 par value, 10 million shares authorized; 1,716,860 and 1,716,860 shares issued and outstanding, respectively	172	172
Treasury stock at cost, 4,692 shares of common stock held, respectively	(2,037,000)	(2,037,000)
Additional paid-in capital	21,294,479	18,548,931
Accumulated deficit	(23,825,818)	(21,155,496)
Total Stockholders' Deficit	(4,565,249)	(4,640,781)
Total Liabilities and Stockholders' Deficit	$ 20,718,673	$ 17,142,196

The accompanying footnotes are an integral part of these unaudited condensed consolidated financial statements.

TRUGOLF HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended March 31, 2025	For the Three Months Ended March 31, 2024
Revenue, net	$ 5,389,230	$ 5,012,022
Cost of revenue	1,726,199	1,959,023
Total gross profit	3,663,031	3,052,999
Operating expenses:		
Royalties	225,320	329,888
Salaries, wages and benefits	1,946,816	1,841,595
Selling, general and administrative	2,725,119	1,825,201
Total operating expenses	4,897,255	3,996,684
Loss from operations	(1,234,224)	(943,685)
Other (expenses) income:		
Interest income	54,596	30,587
Interest expense	(1,490,694)	(384,854)
Loss on investment	-	(3,912)
Total other expense	(1,436,098)	(358,179)
Loss from operations before provision for income taxes	(2,670,322)	(1,301,864)
Provision for income taxes	-	-
Net loss	$ (2,670,322)	$ (1,301,864)
Net loss per common share Series A - basic and diluted	$ (0.09)	$ (0.22)
Net loss per common share Series B - basic and diluted	$ (1.56)	$ (1.14)
Weighted average shares outstanding Series A - basic and diluted	28,461,277	5,994,704
Weighted average shares outstanding Series B - basic and diluted	1,716,860	1,144,573

The accompanying footnotes are an integral part of these unaudited condensed consolidated financial statements.

TRUGOLF HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Unaudited)

	Preferred Stock		Class A Common Stock		Class B Common Stock		Treasury Stock		Additional	Accumulated Other		
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Paid-in Capital	Comprehensive Gain (Loss)	Accumulated Deficit	Total
Balance at December 31, 2023	-	$ -	13,098	$ 120	-	$ -	(4,692)	$(2,037,000)	$10,479,738	$ (1,662)	$ (12,358,924)	$(3,917,728)
Realized gain in fair value of short-term investments	-	-	-	-	-	-	-	-	-	1,662	-	1,662
Common stock exchanged in Merger	-	-	(13,098)	(120)	-	-	-	-	(3,854,573)	-	-	(3,854,693)
Issuance of common stock - Series A exchanged in Merger	-	-	11,538,252	1,154	-	-	-	-	(1,154)	-	-	-
Issuance of common stock - Series B issued in Merger	-	-	-	-	1,716,860	172	-	-	(172)	-	-	-
Net loss	-	-	-	-	-	-	-	-	-	-	(1,301,864)	(1,301,864)
Balance as of March 31, 2024	-	$ -	11,538,252	$ 1,154	1,716,860	$ 172	(4,692)	$(2,037,000)	$ 6,623,839	$ -	$ (13,660,788)	$(9,072,623)
Balance at December 31, 2024	-	$ -	26,120,545	$ 2,612	1,716,860	$ 172	(4,692)	$(2,037,000)	$18,548,931	$ -	$ (21,155,496)	$(4,640,781)
Issuance of common stock for interest and make good	-	-	2,402,420	240	-	-	-	-	1,087,273	-	-	1,087,513
Issuance of common stock for conversion of notes	-	-	662,000	66	-	-	-	-	1,654,934	-	-	1,655,000
Stock-based compensation - options	-	-	-	-	-	-	-	-	3,341	-	-	3,341
Net loss	-	-	-	-	-	-	-	-	-	-	(2,670,322)	(2,670,322)
Balance as of March 31, 2025	-	$ -	29,184,965	$ 2,918	1,716,860	$ 172	(4,692)	$(2,037,000)	$21,294,479	$ -	$ (23,825,818)	$(4,565,249)

The accompanying footnotes are an integral part of these unaudited condensed consolidated financial statements.

TRUGOLF HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Three Months Ended March 31, 2025	For the Three Months Ended March 31, 2024
Cash flows from operating activities:		
Net loss	$ (2,670,322)	$ (1,301,864)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	115,300	36,105
Amortization of convertible notes discount	231,940	947
Amortization of right-of-use asset	88,354	82,454
Change in OCI	-	1,662
Stock issued for make good provisions on debt conversion	1,087,513	-
Stock options issued to employees	3,341	-
Changes in operating assets and liabilities:		
Accounts receivable, net	(180,461)	468,422
Inventory, net	(1,503,632)	(216,569)
Prepaid expenses	(73,342)	200,278
Other current assets	45,737	2,478,953
Accounts payable	(256,248)	1,146,347
Deferred revenue	1,028,780	90,524
Accrued interest payable	(95,974)	82,759
Accrued and other current liabilities	1,823,760	(321,090)
Lease liability	(93,865)	(80,311)
Net cash provided by (used in) operating activities	(449,119)	2,668,617
Cash flows from investing activities:		
Purchases of property and equipment	(64,159)	(332,342)
Capitalized software, net	(270,531)	-
Net cash used in investing activities	(334,690)	(332,342)
Cash flows from financing activities:		
Proceeds from PIPE loans, net of discount	2,520,000	4,320,000
Cash acquired in Merger	-	103,818
Increase in other liabilities	-	18,545
Costs of Merger paid from PIPE loan	-	(2,082,787)
Repayments of line of credit	-	(1,980,937)
Repayments of liabilities assumed in Merger	-	(15,716)
Repayments of notes payable	(2,448)	(2,295)
Repayments of notes payable - related party	-	(268,500)
Net cash provided by financing activities	2,517,552	92,128
Net change in cash , cash equivalents and restricted cash	1,733,743	2,428,403
Cash, cash equivalents and restricted cash - beginning of year	10,882,077	5,397,564
Cash, cash equivalents and restricted cash - end of year	$ 12,615,820	$ 7,825,967
Supplemental cash flow information:		
Cash paid for:		
Interest	$ 108,993	$ 302,095
Income taxes	$ -	$ -
Non-cash investing and financing activities:		
PIPE note principal converted to Class A Common Stock	$ 1,655,000	$ -
Notes payable assumed in Merger	$ -	$ 1,565,000
Accrued liabilities assumed in Merger	$ -	$ 310,724
Remeasurement of common stock exchanged/issued in Merger	$ -	$ (1,875,724)

The accompanying footnotes are an integral part of these unaudited condensed consolidated financial statements.

NOTE 1 – NATURE OF THE ORGANIZATION AND BUSINESS

Nature of the Business

For over 40 years, TruGolf Holdings, In. (including its subsidiaries "the Company", "we", "us", or "our") has been creating indoor golf software and hardware and are focused on both the residential and commercial golf simulation industries. We design, develop, manufacture and sell golf simulators for residential and commercial applications. We offer portable, professional, commercial and custom simulators. In addition, to bundling our software with our simulators, we offer our E6 Connect and E6 Apex software as well as other gaming software on a standalone basis. We have leveraged the power of our hardware and software platform to create a collection of multi-sport games including football, soccer, soccer golf, frisbee golf, zombie dodgeball, and cowboy target practice.

TruGolf Nevada has been creating indoor golf software for 40 years. We began as a subsidiary of Access Software, Inc., a video game developer based in Salt Lake City, Utah ("Access Software"), which was co-founded in November 1982, by Christopher Jones, the Company's largest stockholder, Chief Executive Officer, President and Chairman. In April 1999, Access Software was purchased by Microsoft Corp., for its expertise in golf software development. Following the acquisition, the core programming and graphics team of Links™, which created Links LS 1999, one of the bestselling PC sports games of 1999, were spun out to TruGolf Nevada.

Since 1999, we have focused on establishing residential and commercial golf simulation as a viable industry, and since 2007, we have focused on fabricating custom golf simulators for luxury clients. Part of our initial strategy included partnering with hardware inventors to provide them world class software. Over time, we found that it was not viable to rely on these early hardware inventors alone, we also began building and selling our own hardware. In addition, we are working with a video game company to utilize their new dynamic graphics engine which will enable us to bring photorealistic golf courses to life through our E6 software (discussed below). In addition, we have developed multiple sources and 3rd party manufacturers for the raw materials or parts for our products, including but not limited to, steel or aluminum frames, fabric, turf, screens, projectors, PCs, cameras, lasers, infrared sensors, and supporting subsystems. The availability of the frames and fabric from our principal provider, Allied ES&A, has been increased as they have moved into a much larger facility directly located in a large employee base community and we have entered into negotiations with a second supplier in order to provide alternative sourcing if needed. A third supplier, Impact Signs, has also been used in the past and TruGolf Nevada believes that it could purchase turf, and screen supplies from them as well if needed. Both turf (Controlled Products), and screen suppliers (Allied), are so specialized that we have come to rely on one vendor for each, respectively. Turf particularly experienced some delivery delays in 2022 that have been rectified, additional inventory has been secured locally, and our highest volume portable simulators have been redesigned to use less raw materials from that vendor, while adding an improved hitting surface from a second vendor, Real Feel, to mitigate risk. Negotiations with a second supplier of screen materials is in progress. Projectors (TV Specialists), PCs, lasers, IR sensors and other systems come from multiple suppliers with no historical delay in supply. We have 2 primary suppliers of cameras, IDS and Basler, and have integrated products from both in the new Apogee unit to ensure the greatest availability possible.

The Company is an "emerging growth company" as that term is used in the Jumpstart our Business Startups Act of 2012, and as such, has elected to comply with certain reduced public company reporting requirements.

Corporate History

Trugolf Holdings, Inc. (f/k/a Deep Medicine Acquisition Corp.) (the "Company" or "TruGolf", "we", "us") was incorporated on July 8, 2020 as a Delaware corporation and formed for the purpose of effecting a business combination, with no material operation of its own. Our operations are conducted through our subsidiary TruGolf, Inc., a Nevada Corporation ("TruGolf Nevada"). TruGolf Nevada was formed as a Utah corporation on October 4, 1995, under the name "TruGolf, Incorporated". TruGolf Nevada's original business plan was the creation of golfing video games. On June 9, 1999, the TruGolf Nevada changed its name to "TruGolf, Inc." Effective on April 26, 2016, TruGolf Nevada filed Articles of Merger with the State of Utah, Department of Commerce, and on April 28, 2016, TruGolf Nevada filed Articles of Merger with the Secretary of State of Nevada, pursuant to which TruGolf, Inc., a Utah corporation, merged with and into TruGolf Nevada, pursuant to a Plan of Merger. TruGolf Nevada was the surviving corporation in the merger. In connection with the Plan of Merger, TruGolf Nevada affected a four-for-one forward stock split of its outstanding common stock.

On January 31, 2024 the Company completed the previously announced business combination pursuant to the terms of the Agreement and Plan of Merger, dated as of July 21, 2023 (as amended, the "Merger Agreement"), which provided for, Merger Sub to merge with and into TruGolf Nevada, with TruGolf Nevada surviving as a direct, wholly owned subsidiary of Deep Medicine Acquisition Corp. ("DMAQ"), a Delaware corporation and TruGolf's predecessor company as a consequence of the merger (together with the other transactions contemplated by the Merger Agreement, the "Business Combination"). In connection with the consummation of the Business Combination, DMAQ changed its name to TruGolf Holdings, Inc. TruGolf Holdings, Inc.'s Class A common stock commenced trading on The Nasdaq Global Market under the ticker symbol "TRUG" on February 1, 2024.

On May 10, 2024 the Company formed TruGolf Links Franchising, LLC ("Links"), a wholly owned subsidiary in the state of Delaware. Links has a sole member, TruGolf, Inc. Links was formed to establish and sell franchises that would use the Company's indoor golf and recreational sports simulators and other equipment. Links offers a Service Area franchise agreement for a single location. It also offers a regional developer franchise agreement that allows the franchisee to sell franchises within its region. The upfront fees range from $45,000 to $100,000. Links has received proceeds of $500,000 from its CEO and $75,000 from a third party to purchase the franchise rights to some regions yet to be determined. As of September 30, 2024, the Company recorded $575,000 of deferred revenue and incurred $306,539 of expenses that are included in selling, general and administrative category.

Nasdaq Compliance

On July 15, 2024, the Company received a deficiency letter from the Listing Qualifications Department (the "Staff") of the Nasdaq Stock Market ("Nasdaq") notifying the Company that since it failed to file its Form 10-Q for the period ended March 31, 2024 it no longer complied with Nasdaq Listing Rule 5250(c)(1). The deficiency letter did not result in the immediate delisting of the Company's common stock from the Nasdaq Capital Market. On August 14, 2024, the Company filed its Quarterly Report in the Form 10-Q for the period ended March 31, 2024 and the Company regained compliance with the applicable Nasdaq rule.

On August 19, 2024, the Company received a written notification (the " Equity Notice") from the Listing Qualifications Department (the "Staff") of the Nasdaq Stock Market ("Nasdaq") notifying the Company that, based on the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, the Company's stockholders' equity was ($10,508,104), and therefore, the Company was not in compliance with Nasdaq's Listing Rule 5450(b)(1)(A), which requires a $10,000,000 minimum stockholders' equity standard (the "Global Equity Standard").

Pursuant to Nasdaq Marketplace Rule 5810(c)(2)(C), the Company was provided 45 calendar days, or until November 18, 2024, to supply a specific plan to regain compliance with all Nasdaq Global Market listing requirements and the Company's time frame to complete its plan. The Company submitted its plan of compliance on November 18, 2024, which was accepted by the Staff, and Nasdaq granted an extension of 180 calendar days from the date of the Equity Notice, or until March 31, 2025, to evidence compliance. On April 2, 2025, the Company received a delist determination letter from the Staff (the "Nasdaq Notice") advising the Company that the Staff had determined that the Company had not regained compliance with the Global Equity Standard. Accordingly, the Staff indicated that unless the Company requests a hearing panel (a "Panel") appeal of the delist determination by April 9, 2025, its securities would be delisted on April 11, 2025.

On April 9, 2025, the Company appealed Nasdaq's determination to a Panel pursuant to the procedures set forth in the Nasdaq Listing Rule 5800 Series to stay the suspension of the Company's securities pending the Panel's decision and the expiration of any additional extension period granted by the Panel following the hearing. Such hearing has been set for May 15, 2025.

On November 5, 2024, the Company received a written notification (the "Bid Notice") from the Staff notifying the Company that, for the 30 consecutive business days ended November 4, 2024, the Company's security did not maintain a minimum bid price of $1 per share. Nasdaq stated in its letter that in accordance with Nasdaq Listing Rule 5810(c)(3)(A), the Company has a compliance period of 180 calendar days from the date of the Bid Notice (the "Compliance Period"), and that it may regain compliance if the closing bid on the Company's security is at least $1 for a minimum of ten consecutive days during the Compliance Period, which will end May 5, 2025. If the Company chooses to implement a reverse stock split, it must complete the split no later than 10 business days prior to the expiration of the Compliance Period, in order to regain compliance.

On November 5, 2024, the Company received an additional written notice (the "MVPHS Notice") from the Staff notifying the Company that, for 30 consecutive business days ended November 4, 2024, the Company's market value of publicly held securities ("MVPHS") closed below the $15,000,000 MVPHS threshold required for continued listing on the Nasdaq Global Market under Nasdaq Listing Rule 5450(b)(2)(C) (the "MVPHS Rule"). Nasdaq stated in its letter that in accordance with Nasdaq Listing Rule 5810(c)(3)(D), the Company has a compliance period of 180 calendar days from the date of the MVPHS Notice, and it may regain compliance if at any time during the Compliance Period the MVPHS closes at $15,000,000 or more for a minimum of ten consecutive business days.

On May 7, 2025, the Company received written notice (the "MVPHS Notice") from Nasdaq stating that the Company had not regained compliance with the MVPHS requirement or the bid price requirement. The Company intends to present to the Panel at the hearing a plan to regain compliance with all the continued listing requirements of Nasdaq, including the MVPHS requirement and the bid price requirement.

Liquidity

The accompanying unaudited condensed consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which contemplates realization of assets and satisfying liabilities in the normal course of business. At March 31, 2025, the Company has an accumulated deficit of approximately $23.8 million and working capital surplus of approximately $30,000. For the three months ended March 31, 2025, the Company had a loss from operations of approximately $1.2 million and negative cash flows from operations of approximately $449,000. Although the Company is showing positive revenue growth and gross profit trends, the Company expects to incur further losses through the end of 2025.

To date the Company has been funding operations primarily through the reinvestment of free cash flows generated from our business operations, sale of equity in private placements, PIPE convertible debt instruments and revenues generated by the Company's services. During the three months ended March 31, 2025, the Company received $2,520,000 in proceeds from the issuance of PIPE Convertible Notes, net of $280,000 in original issue discounts, from a PIPE Convertible Note.

Based on its current cash resources and commitments, the Company believes it will be able to maintain its current planned development and corresponding level of expenditure for at least twelve months from the date of the issuance of these consolidated financial statements, although no assurance can be given that it will not need additional funds prior to such time.

The accompanying unaudited condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"), which contemplate continuation of the Company as a going concern and the realization of assets and satisfaction of liabilities in the normal course of business. The carrying amounts of assets and liabilities presented in the unaudited condensed consolidated financial statements do not necessarily purport to represent realizable or settlement values. The accompanying unaudited condensed consolidated financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited condensed consolidated financial information as of and for the three months ended March 31, 2025 and 2024 has been prepared in accordance with GAAP for interim financial information and with the instructions to Quarterly Report on Form 10-Q and Article 10 of Regulation S-X. In the opinion of management, such financial information includes all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation of our financial position at such dates and the operating results and cash flows for such periods. Operating results for the three months ended March 31, 2025 are not necessarily indicative of the results that may be expected for the entire year or for any other subsequent interim period.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been omitted pursuant to the rules of the U.S. Securities and Exchange Commission (the "SEC"). These unaudited financial statements and related notes should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2024 included in the Company's Annual Report on Form 10-K filed with the SEC on April 15, 2025.

Principles of Consolidation

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, which requires management to use its judgment to make estimates and assumptions that affect the reported amounts of assets and liabilities and related disclosures at the date of the financial statements and the reported amounts of expenses during the reported period. These assumptions and estimates could have a material effect on the financial statements. Actual results may differ materially from those estimates. The Company's management periodically reviews estimates on an ongoing basis based on information currently available, and changes in facts and circumstances may cause the Company to revise these estimates. Significant estimates include estimates used in the valuation allowance related to deferred tax assets and capitalized software costs. Actual results may differ from these estimates.

The condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Reclassifications

Certain reclassifications have been made to the unaudited condensed consolidated financial statements for the three months ended March 31, 2024 to conform to the unaudited condensed consolidated financial statement presentation for the three months ended March 31, 2025. These reclassifications had no effect on net loss or cash flows as previously reported.

Use of Estimates

Preparing unaudited condensed consolidated financial statements in conformity with GAAP requires management to make estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates these estimates and judgments. Actual results could differ from those estimates.

Key estimates relate primarily to determining the net realizable value and demand for inventory, useful lives associated with property and equipment and capitalized software, valuation allowances with respect to deferred tax assets, contingencies, and the valuation and assumptions underlying share-based compensation and equity warrants. On an ongoing basis, management evaluates its estimates compared to historical experience and trends, which form the basis for making judgments about the carrying value of assets and liabilities.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of 90 days or less to be cash equivalents. Cash equivalents primarily consist of institutional money market funds, U.S. Treasury securities, certificates of deposit, and commercial paper and are carried at cost, which approximates fair value.

Concentration of Credit Risk

The Company maintains the majority of its cash and cash equivalents in accounts with large financial institutions. At times, balances in these accounts may exceed federally insured limits; however, to date, the Company has not incurred any losses on its deposits of cash and cash equivalents.

Marketable Investment Securities

The Company generally invests its excess cash in investments in corporate fixed income securities and U.S. Treasury securities. Such investments are included in cash and cash equivalents or marketable investment securities on the accompanying consolidated balance sheets and are classified based on original maturity. The Company considers all highly liquid investments with an original maturity date of 90 days or less to be cash equivalents and considers all highly liquid investments with an original maturity greater than 90 days and less than one year to be marketable securities.

Marketable fixed income securities are classified as available-for-sale and reported at fair value with unrealized gains and losses included in accumulated other comprehensive income (loss). Realized gains and losses on the sale of marketable securities are determined using the average cost method on a first-in, first-out basis and recorded in total other income (expense), net in the statements of operations and comprehensive loss. Each reporting period, the Company evaluates whether declines in fair value below carrying value are due to expected credit losses, as well as its ability and intent to hold the investment until a forecasted recovery of the carrying value occurs. Expected credit losses are recorded as an allowance through other income (expense), net on the Company's consolidated statements of operations.

During the three months ended March 31, 2024, the Company sold and liquidated most of its marketable securities resulting in a gain of $1,662 recorded in the unaudited condensed consolidated statements of comprehensive gain (loss). Marketable investment securities had a balance of $10,114 as of March 31, 2025 and December 31, 2024, respectively, and are included with cash and cash equivalents on the unaudited condensed consolidated balance sheets.

Accounts Receivable, net

Accounts receivable are reported at their outstanding unpaid principal balances, net of allowances for credit losses. The Company periodically assesses its accounts and other receivables for collectability on a specific identification basis. The Company estimates its allowance using a rate loss model based on delinquency. The estimated loss rate is based on historical experience with specific customers, understanding of the Company's current economic circumstances, reasonable and supportable forecasts, and the Company's judgment as to the likelihood of ultimate payment based upon available data. Management believes the Company's credit risk is mitigated by the geographically diverse customer base and its credit evaluation procedures. The actual rate of future credit losses, however, may not be similar to past experience. The Company writes off accounts receivable against the allowance for credit losses when a balance is determined to be uncollectable. As of March 31, 2025 and December 31, 2024, the Company's allowance for credit losses was $1,424,074 and $1,470,868, respectively.

Inventory, net

The Company's inventory consists of raw materials and are valued at the lower of historical cost or net realizable value, where net realizable value is considered to be the estimated selling price in the ordinary course of business, less reasonably predictable cost of completion, disposal and transportation. Historic inventory costs are calculated on an average or specific cost basis. The Company records inventory write-downs for excess or obsolete inventories based upon assumptions on current and future demand forecasts. As of both March 31, 2025 and December 31, 2024, the Company had $448,360 reserved for obsolete inventory.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is calculated over the estimated useful lives of the related assets using the straight-line method. Amortization of leasehold improvements is computed using the straight-line method over the shorter of the remaining lease term (including renewals that are reasonably assured) or the estimated useful lives of the improvements. For internal-use software, external costs and employee payroll expenses directly associated with developing new or enhancing existing software applications are capitalized subsequent to the preliminary stage of development. Internal-use software costs are amortized using the straight-line method over the estimated useful life of the software when the project is substantially complete and ready for its intended use.

Category	Estimated Useful Life
Computer equipment and software	3 - 10 years
Furniture and fixtures	3 - 15 years
Vehicles	5 years
Equipment	5 - 10 years

Expenditures for major additions and improvements are capitalized, and minor replacements, maintenance, and repairs are expensed as incurred. When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gains or losses are included in the Company's results of operations for the respective period.

Capitalized Software Development Costs

The Company capitalizes certain costs related to the development of our software used in our simulators. In accordance with authoritative guidance, including the Financial Accounting Standards Board's Accounting Standards Codification ("ASC") 985-20, Software – Costs of Software to be Sold, Leased, or Marketed, the Company began to capitalize these costs when the technological feasibility was established and preliminary development efforts were successfully completed, management authorized and committed project funding, and it was probable that the project would be completed and the software would be used as intended. Such costs are amortized when placed in service, on a straight-line basis over the estimated life of the related asset, estimated to be three years beginning on February 1, 2024. Costs incurred prior to meeting these criteria together with costs incurred for training and maintenance are expensed as incurred and recorded in selling, general and administrative expenses on our consolidated statements of operations. The Company does not capitalize any testing or maintenance costs. The accounting for these capitalized software costs requires management to make significant judgments, assumptions and estimates related to the timing and amount of recognized capitalized software development costs. See Note 6 – Property and Equipment, Net for further details.

Impairment of Long-Lived Assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Conditions that would necessitate an impairment assessment include a significant decline in the observable market value of an asset, a significant change in the extent or manner in which an asset is used, or any other significant adverse change that would indicate that the carrying amount of an asset or group of assets may not be recoverable. For asset groups held and used, the carrying value of the asset group is considered recoverable when the estimated undiscounted future cash flows expected to be generated from the use and eventual disposition of the asset group exceed the respective carrying value. In the event the carrying value is not recoverable, an impairment charge would be recognized for the asset group to be held and used equal to the excess of the carrying value above the estimated fair value of the asset group. Impairment charges are recognized within selling, general and administrative expenses in the consolidated statements of operations. The Company did not record a loss on impairment during the three months ended March 31, 2025 and 2024, respectively.

Advertising and Marketing Costs

The Company expenses advertising and marketing costs as they are incurred. Advertising and marketing expenses were $352,291 and $111,489 for the three months ended March 31, 2025 and 2024, respectively, and are recorded in operating expenses on the unaudited condensed consolidated statements of operations.

Debt with Warrants

In accordance with ASC 470-20-25, when the Company issued debt with warrants, the Company treats the fair value of the warrants as a debt discount, recorded as a contra-liability against the debt, and amortizes the balance over the life of the underlying debt as amortization of debt discount expense in the unaudited condensed consolidated statements of operations using the straight-line method. The offset to the contra-liability is recorded as either equity or liability in the Company's unaudited condensed consolidated balance sheets depending on the accounting treatment of the warrants. If the debt is retired early, the associated debt discount is then recognized immediately as amortization of debt discount expense in the unaudited condensed consolidated statements of operations.

Fair Value Measurements

As defined in ASC 820, Fair Value Measurements and Disclosures, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The Company utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. ASC 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). This fair value measurement framework applies at both initial and subsequent measurement.

Level 1: Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Pricing inputs are other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reported date. Level 2 includes those financial instruments that are valued using models or other valuation methodologies. These models are primarily industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace.

Level 3: Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value. The significant unobservable inputs used in the fair value measurement for nonrecurring fair value measurements of long-lived assets include pricing models, discounted cash flow methodologies and similar techniques.

Fair Value of Financial Instruments

The carrying value of cash, accounts receivable, accounts payable and accrued expenses, and other current liabilities approximate their fair values using Level 1 inputs, based on the short-term maturity of these instruments. The carrying amount of notes payable approximate the estimated fair value for this financial instrument as management believes that such debt and interest payable on the notes approximates the Company's incremental borrowing rate. The following table shows the Company's cash, cash equivalents, restricted cash, marketable securities, and derivative liabilities by significant investment category as of March 31, 2025 and December 31, 2024:

	Fair Value	Level 1	Level 2	Level 3
Fair Value at December 31, 2023	$ 2,534,169	$ 55,216	$ 2,478,953	$ -
Money market funds	(45,102)	(45,102)	-	-
Corporate fixed income securities	(452,682)	-	(452,682)	-
U.S. treasury securities	(2,026,271)	-	(2,026,271)	-
Derivative liability[(1)]	-	-	-	-
Fair value at December 31, 2024	$ 10,114	$ 10,114	$ -	$ -
Derivative liability[(2)]	-	-	-	-
Fair value at March 31, 2025	$ 10,114	$ 10,114	$ -	$ -

(1) During the year ended December 31, 2024, the Company recorded a derivative liability related to the PIPE Warrants of $142,319. During the year ended December 31, 2024, the Company recorded a gain on fair value remeasurement of $142,319.
(2) During the three months ended March 31, 2025, the Company did not record a loss on fair value remeasurement.

Leases

A lease is defined as a contract that conveys the right to control the use of identified property, plant or equipment for a period of time in exchange for consideration.

In accordance with ASC 842, Leases, the Company recognized a right-of-use ("ROU") asset and corresponding lease liability on its balance sheets for its office space and warehouse. See Note 17 – Leases for further discussion, including the impact on the Company's unaudited condensed consolidated financial statements and related disclosures.

ROU assets include any prepaid lease payments and exclude any lease incentives and initial direct costs incurred. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. The lease terms may include options to extend or terminate the lease if it is reasonably certain that the Company will exercise that option.

Leases in which the Company is the lessee are comprised of office and warehouse rental. All of the leases are classified as operating leases. The Company has two lease agreements with remaining terms of 3.1 years and 8 months.

Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the unaudited condensed consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets, including tax loss and credit carry forwards, and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company utilizes ASC 740, Income Taxes, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the unaudited condensed consolidated financial statements or tax returns. The Company accounts for income taxes using the asset and liability method to compute the differences between the tax basis of assets and liabilities and the related financial amounts, using currently enacted tax rates. A valuation allowance is recorded when it is "more likely than not" that a deferred tax asset will not be realized. At March 31, 2025 and December 31, 2024, the Company's net deferred tax asset has been fully reserved.

For uncertain tax positions that meet a "more likely than not" threshold, the Company recognizes the benefit of uncertain tax positions in the unaudited condensed consolidated financial statements. The Company's practice is to recognize interest and penalties, if any, related to uncertain tax positions in income tax expense in the unaudited condensed consolidated statements of operations when a determination is made that such expense is likely.

Revenue Recognition

Revenue Recognition Policy

Revenue is recognized upon satisfaction of all contractual performance obligations and transfer of control to the customer and is measured as the amount of consideration to which the Company expects to be entitled to in exchange for corresponding goods or services. Each sales transaction results in an implicit contract with the customer to deliver a product or service at the point of sale. The Company has two distinct revenue streams: golf simulators and content software subscriptions.

Performance obligations under our contracts consist of hardware, software consisting of perpetual licenses and subscription licenses, and support within a single operating segment.

Golf Simulators – Substantially all the Company's sales are multiple performance obligation arrangements for its golf simulators, for which the transaction price is equivalent to the stated price of the product or service, net of any stated discounts applicable at a point in time. Golf simulators are bundled and are comprised of both hardware, a software license (for the software to operate the simulator), and a content software subscription license. Revenue from golf simulators is recognized at the point in time when installation (hardware and software) has occurred and has been accepted by the customer. For transactions where the Company utilizes a third-party to complete the installation, the Company recognizes revenue solely for the simulator hardware upon delivery to the customer or third-party installer and then recognizes the remainder of the revenue upon installation and customer acceptance.

Perpetual License – Golf simulators require specific proprietary software to run the simulations. The Company records revenue from the proprietary software products under perpetual licenses. Revenue from the perpetual licenses is recognized at the time of installation and customer acceptance.

Content Software Subscriptions – The Company offers content software subscriptions for one and twelve months. We recognize revenue from these transactions when control has passed to the customer and the performance obligations have been satisfied. Control is considered to have passed to the customer when the software license has been delivered and accepted by the customer. The content software subscription revenue is recognized over the term of the contract.

Deferred Revenue

Deferred revenue represents either customer advance payments or performance obligations that have not yet been met.

Revenue from golf simulators and perpetual software licenses is deferred and primarily recognized upon the installation of the golf simulators and acceptance from the customer. Revenue from content software subscriptions is deferred and recognized ratably over the life of the subscription (one or twelve months). During the three months ended March 31, 2025, the Company recognized approximately $1.2 million of golf simulator and subscription services revenue, respectively, that was included in deferred revenue balances at the beginning of the year.

Remaining Performance Obligations

As of March 31, 2025, approximately $4.1 million of revenue is expected to be recognized from remaining performance obligations. The Company expects to recognize 100% of this revenue over the next 12 months.

Disaggregated Revenue

	Three Months Ended March 31,	
	2025	**2024**
Revenues:		
Golf Simulators[(1)]	$ 3,587,912	$ 2,724,658
Content Software Subscriptions	1,159,705	2,250,699
Franchise Revenue	75,000	-
Other[(2)]	566,613	36,665
Total net revenue	$ 5,389,230	$ 5,012,022

(1) Includes items such as hardware and proprietary perpetual licenses
(2) Includes items such as shipping income and installation income

Cost of Revenues

Cost of revenue includes direct materials, labor, manufacturing overhead costs and reserves for estimated warranty cost (excluding depreciation). Cost of revenues also includes charges to write down the carrying value of the inventory when it exceeds its estimated net realizable value and to provide for on-hand inventories that are either obsolete or in excess of forecasted demand, as consistently reviewed by the Company. During the three months ended March 31, 2025 and 2024, the Company recorded an expense of $0 and $171,502 in inventory write-down, respectively.

Royalties

The Company has royalty agreements with certain software suppliers to pay royalties based on the number of units and subscriptions sold. The royalty percentages range between 20% and 30%. Royalty expense for the three months ended March 31, 2025 and 2024, was $225,320 and $329,888, respectively.

Net Loss Per Common Share

Net loss per common share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. All outstanding options and warrants are considered potentially outstanding common stock. The dilutive effect, if any, of stock options or warrants is calculated using the treasury stock method. All outstanding convertible notes are considered common stock at the beginning of the period or at the time of issuance, if later, pursuant to the if-converted method.

The following table sets forth the computations of loss per share:

	Three Months Ended March 31,	
	2025	**2024**
Numerators:		
Net loss	$ (2,670,322)	$ (1,301,864)
Denominator:		
Weighted-average common shares Series A outstanding, basic and diluted	28,461,277	5,994,704
Weighted-average common shares Series B outstanding, basic and diluted	1,716,860	1,144,573
Net loss per common share Series A, basic and diluted	$ (0.09)	$ (0.22)
Net loss per common share Series B, basic and diluted	$ (1.56)	$ (1.14)

Since the effect of common stock equivalents is anti-dilutive with respect to losses, the options, warrants and shares issuable upon conversion have been excluded from the Company's computation of net loss per common share for the three months ended March 31, 2025 and 2024.

The following table summarizes the securities that were excluded from the diluted per share calculation because the effect of including these potential shares was anti-dilutive due to the Company's net loss position even though the exercise price could be less than the average market price of the common shares:

Stock Options	1,131,000
PIPE Convertible Notes[(1)]	401,200
Common Stock - Series A warrants	1,409,092
Common stock - Series B warrants	1,550,000
Earnout shares - Earned in three Tranches over three years (assumes achievement of revenue and VWAP targets)	4,500,000
Underwriter warrants to I-Bankers convertible at $12.00/common share	632,500
Total dilutive	9,623,792

(1) Does not include shares for interest or make-whole amounts as the number of shares is undeterminable since the calculation is based on variable floating factors.

Stock-based Compensation

The Company has the ability to grant employees a number of different stock-based awards, including restricted shares of common stock, restricted stock units, stock options, and stock appreciation rights to purchase common stock, under the TruGolf Holdings, Inc. 2024 Incentive Plan (the "2024 Plan"). The Company records stock-based compensation expense based on the fair value of stock awards at the grant date and recognizes the expense over the employees' service periods. For performance-based awards, recognition of stock-based compensation expense also includes management's estimate of the probability of performance criteria as of the end of each reporting period. Stock-based compensation expense is recognized net of estimated forfeitures and expense is not recognized for awards that do not vest if service or performance conditions are not satisfied.

Pursuant to Accounting Standards Update ("ASU") 2018-07, Compensation – Stock Compensation (Topic 718): Improvements to Non-employee Share-Based Payment Accounting, the Company accounts for stock options issued to non-employees for their services in accordance with ASC 718. The Company uses valuation methods and assumptions to value the stock options that are in line with the process for valuing employee stock options noted above.

Emerging Growth Company Status

The Company is an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until those standards apply to private companies. The Company has elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that it is (i) no longer an emerging growth company or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, these unaudited condensed consolidated financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates. The JOBS Act does not preclude an emerging growth company from early adopting new or revised accounting standards. The Company expects to use the extended transition period for any new or revised accounting standards during the period which the Company remains an emerging growth company.

Segment Reporting

The Company currently operates as one business segment, which is also the sole reportable segment, focusing on the manufacturing and sales of indoor golf simulators. The Company's business offerings have similar economic and other characteristics, including the nature of products, manufacturing, types of customers, and distribution methods. The determination of a single business segment is consistent with the unaudited condensed consolidated financial information regularly provided to the Company's chief operating decision maker ("CODM"). The Company's CODM is its Principal Executive and Financial Officer and Director, who reviews and evaluates consolidated profit and loss and total assets for the purpose of assessing performance, making operating decisions, allocating resources, and planning and forecasting for future periods.

Warrants

The fair value of the warrants is estimated on the date of issuance using the Black-Scholes option pricing model, which requires the input of subjective assumptions, including the expected term of the warrants, expected stock price volatility, and expected dividends. These estimates involve inherent uncertainties and the application of management's judgment. Expected volatilities used in the valuation model are based on the average volatility of the comparable publicly traded on recognized stock exchanges. The risk-free rate for the expected term of the option is based on the United States Treasury yield curve in effect at the time of the grant.

Recently Adopted Accounting Pronouncements

In December 2023, the FASB issued Update 2023-09 - Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which enhances the disclosure requirements for income tax rate reconciliation, domestic and foreign income taxes paid, and unrecognized tax benefits. The amendments of ASU 2023-09 are effective for annual periods beginning after December 15, 2024. The Company adopted this new guidance on January 1, 2025, and the adoption did not have a material effect on the Company's unaudited condensed consolidated financial statements.

Recent Accounting Pronouncements

In January 2025, the FASB issued ASU 2025-01, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures* (Subtopic 220-40): Clarifying the Effective Date, which amends ASU 2024-03 to clarify when public business entities (PBEs) and all other entities must begin providing the new expense-disaggregation disclosures. ASU 2025-01 does not change the underlying disclosure requirements introduced by ASU 2024-03; rather, it revises paragraph 220-40-65-1 to state explicitly that the amendments are effective for annual periods beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption continues to be permitted. The Company is currently evaluating the impact of these amendments on its consolidated financial statements and related disclosures.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable and allowance for credit losses consisted of the following:

	March 31, 2025	December 31, 2024
Trade accounts receivable	$ 2,962,397	$ 2,870,021
Other	41,291	-
	3,003,688	2,870,021
Less allowance for credit losses	(1,424,074)	(1,470,868)
Total accounts receivable, net	$ 1,579,614	$ 1,399,153

NOTE 4 – INVENTORY, NET

The following summarizes inventory:

	March 31, 2025	December 31, 2024
Inventory - raw materials	$ 4,301,337	$ 2,797,705
Less reserve allowance for obsolescence	(448,360)	(448,360)
Inventory, net	$ 3,852,977	$ 2,349,345

NOTE 5 – MARKETABLE INVESTMENT SECURITIES

In February 2023, the Company entered into a brokerage agreement and deposited $2,500,000. In February 2023, the Company purchased $450,751 in corporate fixed income securities (corporate bonds) and $1,981,061 in government securities (Treasury securities). The Company terminated the brokerage agreement during the three months ended December 31, 2024, liquidated the vast majority of its investments and has $10,114 recorded in cash and cash equivalents on its unaudited condensed consolidated balance sheet as March 31, 2025 and December 31, 2024, respectively.

NOTE 6 – PROPERTY AND EQUIPMENT, NET

The following summarizes property and equipment:

	March 31, 2025	December 31, 2024
Software and computer equipment	$ 860,243	$ 795,369
Furniture and fixtures	228,033	230,883
Vehicles	59,545	59,545
Equipment	18,008	15,873
	1,165,829	1,101,670
Less accumulated depreciation	(973,118)	(957,818)
Total other long-term assets	$ 192,711	$ 143,852

The Company recorded depreciation expense was $15,300 and $14,317 for the three months ended March 31, 2025 and 2024, respectively.

The following summarizes capitalized software development costs as of March 31, 2025 and December 31, 2024:

Capitalized software, net - beginning balance, December 31, 2024	$ 1,540,121
Capitalized software development costs - 2025	270,531
Less accumulated amortization	(100,000)
	$ 1,710,652

The Company recorded amortization of capitalized software costs of $100,000 and $18,463 for the three months ended March 31, 2025 and 2024, respectively.

NOTE 7 – ACCRUED AND OTHER CURRENT LIABILITIES

Accrued and other current liabilities consist of the following amounts:

	March 31, 2025	December 31, 2024
Accrued payroll	$ 279,837	$ 108,945
Credit cards	341,884	55,180
Warranty reserve	140,000	140,000
Sales tax payable	103,530	105,563
Other accrued liabilities	1,957,816	589,619
Total accrued and other current liabilities	$ 2,823,067	$ 999,307

Accrued liabilities and other current liabilities assumed in Merger:

Accrued tax payable	$ 45,008
Total accrued and other current liabilities assumed in Merger	$ 45,008

NOTE 8 – NOTES PAYABLE

Notes payable consisted of the following:

	March 31, 2025	December 31, 2024
Note payable - Ethos Management Inc.	$ -	$ -
Note payable - Mercedez-Benz	17,285	19,733
	17,285	19,733
Less current portion	(10,148)	(10,001)
Note payable long-term portion	$ 7,137	$ 9,732

Ethos Management Inc.

In January 2023, the Company entered into a financing agreement with Ethos Asset Management Inc. (the “Ethos Loan” or “Ethos”) in the principal amount of up to $10 million. Pursuant to the terms of the Ethos Loan, the Company may draw down financing proceeds equal to $833,333 each month beginning in April 2023, up to the $10 million amount. Interest associated with the Ethos Loan is fixed at 4% per annum and has a three-year grace period for principal and interest payments. Annual principal and interest payments will commence in 2027 and continue through 2034. As a condition to funding, the Company provided Ethos with a $1,875,000 deposit as collateral (the “Deposit Collateral”) for the note.

The Ethos Loan stipulates that fundings should happen approximately every 30 banking days, subject to Ethos completing periodic internal audits to ensure the Company was in compliance with the terms of the loan agreement. In August 2023, Ethos informed the Company that unrelated to the Company, Ethos was undergoing a routine audit of its portfolio, and pending the close of the audit, borrowers may experience delays in drawing on funds when requested. In February 2024, due to the lack of additional fundings and in accordance with the terms of the Ethos Loan, the Company sent Ethos a notice of termination for materially breaching the Ethos Loan agreement. Based on the termination for default clause in the Ethos Loan, the Company was entitled to retain all funds disbursed by Ethos and Ethos must release the Deposit Collateral. At the date of the Ethos Loan termination the principal and accrued interest owed on the Ethos Loan was $2,383,059 and $81,560, respectively. As a result of the Ethos Loan termination, the outstanding principal and accrued interest was offset by the Deposit Collateral leaving $589,619, which is included in Accrued and other current liabilities on the unaudited condensed consolidated balance sheets at March 31, 2025 and December 31, 2024, respectively (See Note 7 – Accrued and Other Current Liabilities).

Mercedes-Benz

In November 2020, the Company entered into a $59,545, 5.90% annual interest rate note payable with Mercedez-Benz for a delivery van. The note matures on November 20, 2026, and is secured by the van. The Company makes a monthly payment of $908, which includes both principal and interest. The outstanding principal on the note at March 31, 2025 and December 31, 2024, was $17,285 and $19,733, respectively.

Notes Assumed in Merger

As a successor to DMAQ, the Company assumed notes payable from the Merger in the amount of $1,565,000, which was comprised of: (i) an unsecured promissory note in the aggregate principal amount of $1,265,000 issued to two affiliates of the Sponsor on October 15, 2022, in connection with the First Extensions, from October 29, 2022 to January 29, 2023, and (ii) an unsecured promissory note in the principal amount of $300,000 issued to an affiliate of the Sponsor on February 9, 2023 in connection with the Second Extension, from January 29, 2023, to July 29, 2023, pursuant to which a monthly payment of $50,000 had been deposited in the Trust Account after January 29, 2023 for six months. Pursuant to the fully executed Promissory Notes, each of the Promissory Notes bears no interest and is due upon the earlier of the consummation of DMA's initial business combination or the date of the liquidation of DMAQ. During the year ended December 31, 2024, the Company made a principal payment of $100,000 to one of the note holders.

On December 31, 2024, using the proceeds from the November 7, 2024, funding of additional PIPE Convertible Notes (See Note 9 – PIPE Convertible Notes) the Company repaid the remaining balance of such notes in full. The extinguishment of one of the convertible notes resulted in extinguishment accounting. See Note 9 – PIPE Convertible Notes for additional details.

NOTE 9 – PIPE CONVERTIBLE NOTES

On November 2, 2023 and December 7, 2023, DMAQ executed loan agreements with certain accredited investors (together, the "Prior Loan Agreements") pursuant to which such investors agreed to loan DMAQ up to an aggregate $11 million in exchange for the issuance of convertible notes and warrants. On February 2, 2024, the Company executed a securities purchase agreement (the "Purchase Agreement") with each of the investors that executed the Prior Loan Agreements, which replaced the Prior Loan Agreements in their entirety, and with additional investors (together, the "PIPE Investors"). Pursuant to the terms and conditions of the Purchase Agreement, the PIPE Investors agreed to purchase from the Company (i) senior convertible notes in the aggregate principal amount of up to $15.5 million (the "PIPE Convertible Notes"), (ii) Series A warrants to initially purchase 1,409,091 shares of the Company's Class A common stock (the "Series A Warrants"), and (iii) Series B warrants to initially purchase 1,550,000 shares of the Company's Class A common stock (the "Series B Warrants," and collectively with the Series A Warrants, the "PIPE Warrants") (the "PIPE Financing").

Under the terms of the Purchase Agreement, the Company had the right, but not the obligation, to require that the PIPE Investors purchase additional PIPE Convertible Notes at up to two additional closings. On February 6, 2024, the first additional closing (the "First Mandatory Additional Closing") occurred for the sale of $4.65 million in additional PIPE Convertible Notes with an Original Issue Discount of $465,000 for gross proceeds of $4.185 million, subject to the filing of a registration statement and satisfaction of customary closing conditions.

In addition, pursuant to the Purchase Agreement, as amended, each PIPE Investor had the right, but not obligation, to require the Company to sell to such investor its pro rata share of up to an aggregate principal amount of $10.85 million of additional PIPE Convertible Notes in one or more "Additional Optional Closings," provided that the principal amount issued in each such closing is no less than $250,000. These optional rights expire on August 30, 2025.

On August 13, 2024, the Company entered into waiver and amendment agreements (the "Waiver") with the PIPE Investors. Under the Waiver, the parties agreed to, among other things: to (i) waive any defaults caused by the Company's failure to timely file SEC reports through August 14, 2024, (ii) extend the deadline for Additional Optional Closings to 11 months following the effectiveness of the initial registration statement, (iii) permit the Company to raise non-convertible, unsecured debt financing from its affiliates, (iv) waive certain registration failures through September 3, 2024, and allow such failures to be cured through the issuance of common stock, and (v) allow interest payments due April 1, July 1, and October 1, 2024, to be paid in shares of common stock or added to the principal of the PIPE Convertible Notes, at the election of the applicable PIPE Investor. In connection with the Waiver, the Company issued 192,151 shares of Class A common stock to satisfy registration delay penalties and 157,582 shares of Class A common stock to satisfy accrued interest obligations. These issuances were made at the "Alternate Conversion Price" set forth in the PIPE Convertible Notes, which is defined as the lesser of the fixed conversion price or 90% of the lowest volume weighted average price (VWAP) of the Company's Class A common stock over the five consecutive days prior to conversion. Additionally, the Company issued 190,586 shares to a PIPE Investor as a result of language in the PIPE Convertible Note related to ownership percentage prior to the Merger.

On November 7, 2024, the Company and certain PIPE Investors entered into further amendments to the Waiver (the "Amendments") under which the PIPE Investors agreed to waive any breaches or defaults resulting from the Company's failure to timely file SEC reports through August 21, 2024, and extended the waiver for certain registration failures through October 3, 2024. The PIPE Investors also waived defaults related to the Company's non-compliance with the continued listing requirements of the Nasdaq Stock Market, including (i) failure to meet the minimum stockholders' equity threshold, (ii) failure to meet the minimum market value of publicly held shares, and (iii) failure to meet the minimum bid price requirement. These waivers are effective through January 15, 2025, but may be extended through March 15, 2025, solely with respect to the bid price deficiency, provided the Company remains in compliance with all other listing requirement and files a preliminary proxy statement to seek shareholder approval of a reverse stock split. In connection with these Amendments, the Company issued 116,959 shares of Class A common stock to satisfy additional registration delay penalties and 65,790 shares of Class A common stock for unpaid interest, also at the Alternate Conversion Price.

Also on November 7, 2024, certain PIPE Investors agreed to purchase an additional $3.3 million in principal amount of PIPE Convertible Notes with an Original Issue Discount of $330,000 for gross proceeds of $2.97 million. The Company used approximately $2.5 million of the proceeds from this issuance to repay outstanding debt and cover related transaction expenses.

One of the PIPE Notes issued on November 7, 2024 was purchased in exchange for a convertible note payable and an unsecured note payable that were previously issued to the same PIPE Investor. The exchange resulted in debt extinguishment accounting as the present value of the future cash flows of the new PIPE Convertible Note was greater than 10% of the remaining present value of the cash flows of the exchanged notes. As a result, the Company recorded a loss on extinguishment of debt of $270,594 on the consolidated statements of operations for the year ended December 31, 2024.

On December 16, 2024, a certain PIPE Investor agreed to purchase an additional $2.1 million in the principal amount of a PIPE Convertible Note with an Original Issue Discount of $210,000 for gross proceeds of $1.89 million.

On January 8, 2025, certain PIPE Investors agreed to purchase an additional $2.8 million in principal amount of PIPE Convertible Notes with an Original Issue Discount of $280,000 for gross proceeds of $2.52 million.

During the three months ended March 31, 2025, the Company converted an aggregate principal amount of $1,655,000 and $1,087,513 in accrued and make-whole interest related to the PIPE Convertible Notes into 3,064,420 shares of the Company's Class A common stock.

PIPE Convertible Notes payable consisted of the following:

PIPE Convertible Note Balance at January 1, 2024	$	-
PIPE Convertible Notes issued		10,320,594
Less: Debt Discount associated with OID and Warrants		(1,147,319)
PIPE Convertible Notes, net		9,173,275
Less: Gross PIPE Convertible Note principal converted into Class A common stock		(5,832,600)
Add: Accretion of debt discount		728,278
Total PIPE Convertible Notes, net at December 31, 2024		4,068,953
PIPE Convertible Notes issued		2,800,000
Less: Debt Discount associated with OID		(280,000)
PIPE Convertible Notes, net		6,588,953
Less: Gross PIPE Convertible Note principal converted into Class A common stock		(1,655,000)
Add: Accretion of debt discount		231,940
Total PIPE Convertible Notes, net at March 31, 2025	$	5,165,893

During the three months ended March 31, 2025 and 2024, amortization expense related to the Debt Discount of the PIPE Convertible Notes was $231,940 and $3,325, respectively. The principal balance of the PIPE Convertible Notes, net of Debt Discounts, and accrued interest related to the PIPE Convertible Notes at March 31, 2025, was $5,165,893 and $0, respectively. The principal balance net of Debt Discounts and accrued interest related to the PIPE Convertible Notes at December 31, 2024, was $4,068,953 and $154,500, respectively.

NOTE 10 – RELATED PARTY NOTES AND LOANS PAYABLE

Related party notes payable consisted of the following:

	March 31, 2025	December 31, 2024
Note payable - ARJ Trust	$ 650,000	$ 650,000
Note payable - McKettrick	800,000	800,000
Note payable - Carver	111,000	111,000
Loan - Chris Jones	2,000,000	2,000,000
	3,561,000	3,561,000
Less current portion	(2,937,000)	(2,937,000)
Note payable long-term portion	$ 624,000	$ 624,000

Future maturities of related party notes and loan payables as of March 31, 2025:

2025	$ 2,937,000
2026	287,000
2027	337,000
Total	$ 3,561,000

ARJ Trust

In December 2008, the Company entered into a note payable with ARJ Trust, a trust that is indirectly controlled by the Company's chief executive officer. The note has a principal amount of $500,000, an interest rate of 8.50% per annum, and a maturity date of March 31, 2024. The Company is required to make monthly interest-only payments of $3,541.

In June 2010, the Company entered into a second note payable with ARJ Trust. The note has a principal amount of $150,000, an interest rate of 8.50% per annum, and a maturity date of March 31, 2024. The Company is required to make monthly interest-only payments of $1,063.

On March 31, 2024, the maturity date of the notes was extended to March 31, 2025. On March 31, 2025, the maturity date of the notes was extended to September 30, 2025.

The Company made interest-only payments of $13,812 and $10,901 during the three months ended March 31, 2025 and 2024, respectively. The principal balance of the notes was $650,000 at both March 31, 2025 and December 31, 2024.

McKettrick

In May 2019, the Company entered into a $1,750,000, zero interest rate note payable with a former shareholder to repurchase all their owned shares in the Company. The note is payable in annual installments of $250,000 due on December 21 of each year. The note matures on December 1, 2027. If the annual installment is not paid within 10 days of the due date a late fee of 5% is charged. During the year ended December 31, 2024, the Company paid the December 2024 and 2023 installments totaling $500,000 and $50,000 in a negotiated extension fee for the 2023 installment. The principal balance of the note payable was $800,000 at both March 31, 2025 and December 31, 2024.

Carver

In January 2021, the Company entered into a $222,000, zero interest rate note payable with a former shareholder to repurchase all their owned shares in the Company. The note is payable in semi-annual installments of $18,500 due on March 31 and September 30 each year and matures on October 1, 2027. The Company has not made the required installments totaling $18,500 for the three months ended March 31, 2025 and $37,000 for the year ended December 31, 2024. The principal balance of the note payable was $111,000 at both March 31, 2025 and December 31, 2024.

Chris Jones

During the year ended December 31, 2024, the Company chief executive officer loaned the Company an aggregate of $2 million for operating expenses. The loaned amount has a zero interest rate and no stated maturity date. The Company made no payments towards the loan during the three months ended March 31, 2025, however, the Company expects to pay back the loan in full. The principal balance of the loan payable was $2,000,000 at March 31, 2025 and December 31, 2024.

NOTE 11 – LINES OF CREDIT

JPMorgan Chase

In December 2023, the Company entered into a $2,000,000 variable rate line of credit with JPMorgan. The purpose of the new line of credit was to consolidate the balances outstanding on the note payable and the previous line of credit, which had matured. The line of credit matured on December 31, 2024. The line of credit had an annual interest rate of the Adjusted SOFR (Secured Overnight Financing Rate) Rate plus 3.00%.

On January 1, 2025, the maturity date of the line of credit was extended to December 31, 2025. Upon the maturity date extension the annual interest rate was increased to the Adjusted SOFR Rate plus 3.50%.

The line of credit is secured by a pledge of $2,100,000 in the Company's deposit accounts (restricted cash) at JPMorgan. The outstanding principal balance on the line of credit was $802,738 at March 31, 2025 and December 31, 2024.

Morgan Stanley

During February 2023, the Company entered into a variable rate line of credit with Morgan Stanley which was secured by the marketable securities held in our brokerage account (See Note 5 – Marketable Investment Securities). The Company terminated the brokerage agreement during the year ended December 31, 2024, liquidated the vast majority of its investments and has $10,114 recorded in cash and cash equivalents on its unaudited condensed consolidated balance sheet as of March 31, 2025 and December 31, 2024.

NOTE 12 – DIVIDEND NOTES PAYABLE

Prior to the Merger, TruGolf Nevada filed its tax returns as an S Corporation. Historically, all income tax liabilities and benefits of TruGolf Nevada are passed through to the shareholders annually through distributions. No dividends were declared during 2023 or 2022. During 2021, the Board of Directors declared $7,395,694 in dividends to the shareholders, payable in cash as the Company's liquidity allows. During 2022, TruGolf Nevada paid the shareholders an aggregate amount of $1,965,706. In November 2022, each shareholder agreed to defer the accrued dividends payable by entering into 6.00% interest rate dividend notes payable. All outstanding and accrued interest is due and payable when the dividend notes payable mature on December 31, 2025. Interest commenced accruing on January 1, 2023.

Dividends declared, distributed, and accrued are as follows:

	March 31, 2025	December 31, 2024
Accrued interest on dividends payable	$ 576,036	$ 515,677
Dividends payable	$ 4,023,923	$ 4,023,923

NOTE 13 – GROSS SALES ROYALTY PAYABLE

In June 2015, the Company entered into a Royalty Purchase Agreement (the "Royalty Agreement") with a purchaser ("Purchaser") for a gross sales royalty. The Purchaser agreed to purchase a sales royalty for the sum of $1,000,000 plus applicable taxes. Upon mutual agreement the Purchaser may purchase one or more additional royalties in an aggregate amount of up to $1,000,000. For the period June 2015 through May 2017, the Company paid a monthly payment of $20,833. Effective June 1, 2017, all subsequent monthly royalty payments has been equal to the greater of $20,833 plus the amount determined in accordance with the following:

i. If the trailing twelve-month revenue of the Company is equal to or less than $6,110,000, 3.60% of the Company's monthly revenues, in perpetuity (unless terminated in accordance with the Royalty Agreement);

ii. If the trailing twelve-month revenue of the Company is equal to or greater than $17,200,000, 1.30% of the Company's monthly revenues, in perpetuity (unless terminated in accordance with the Royalty Agreement); or

iii. If the trailing twelve-month revenue of the Company is greater than $6,110,000 but less than $17,200,000, such percentage of monthly revenue determined by dividing $220,060 by the amount of the trailing twelve-month revenue and multiplying the result by 100, in perpetuity (unless terminated in accordance with the Royalty Agreement).

The royalty percentage was fixed at 3.6% based on the trailing twelve-month revenue at the time of executing the Royalty Agreement. On June 1, 2017, the royalty percentage was changed to 2.4% based on the trailing twelve-month revenues at the time as outlined in the table above.

The Royalty Agreement contains an option for a one-time buy down of the royalty rate. At any time following the date on which the Purchaser has received royalty payments that are, in the aggregate, equal to two times the then applicable Aggregate Installment Amount ($1,000,000), the Company may purchase and extinguish 75% (but no more nor less) of all amounts owing or to become owing to the Purchaser hereunder. In the event the Company wants to exercise the buy down option, the Company would pay the Purchaser $750,000. The adjusted royalty rate going forward would then be 0.6% (75% of the 2.4%).

The Royalty Agreement also contains an option for a buyout upon the change of control. If pursuant to a proposed change of control the acquirer under such transaction requires, as a condition to the completion of such transaction, that the Company purchase and extinguish all amounts owing or to become owing to the Purchaser hereunder, the Company will pay the greater of:

i. An amount equal to two times the aggregate installment amount as at the date of the change of control buyout notice; and
ii. An amount equal to A multiplied by B multiplied by C, where:

    a. A is equal to the aggregate installment amount as at the date of the change in control divided by $22,500,000;
    b. B is equal to 0.8; and
    c. C is equal to the net equity value of the Company; or in the case of a proposed asset sale, the proposed net purchase price of all or substantially all of the Company's assets.

The Royalty Agreement does not contain a stated maturity date or bear interest. The agreement provides for a perpetual payment obligation, whereby the Company is required to remit a royalty equal to either 2.4% or 0.6% of applicable revenue, depending on whether the royalty rate buy-down option has been exercised. While the royalty percentage may be reduced pursuant to the terms of the buy-down provision, the only mechanism for terminating the Royalty Agreement is through a buyout that may be required by an acquirer in connection with a change of control transaction. In the absence of such a change of control, the Royalty Agreement remains in effect indefinitely.

Because the gross sales royalty payable has no stated fixed interest rate or maturity date, it is considered variable interest perpetual debt. The periodic variable payments to the Purchaser are recorded in interest expense. The outstanding balance at March 31, 2025 and December 31, 2024, was $1,000,000. During the three months ended March 31, 2025 and 2024, the Company incurred interest expense of $38,911 and $96,509, respectively.

NOTE 14 – STOCKHOLDERS' DEFICIT

Preferred Stock

The Company has authorized preferred stock of 10,000,000 shares with a par value of $0.0001. As of March 31, 2025 and December 31, 2024, there were no shares of preferred stock issued and outstanding.

Common Stock

Class A Common Stock

The Class A Common Stock has voting rights of 1 vote per share and votes as a single class together with the Class B Common Stock.

Class B Common Stock

The Class B Common stock has voting rights of 25 votes per share, and votes as a single class together with the Class A Common Stock.

Equity Transactions During the Period

Class A Common Stock

During the three months ended March 31, 2025, the Company issued an aggregate of 662,000 shares of Class A Common Stock with a fair value of $2.50 per share to PIPE Convertible Note holders for conversion of an aggregate principal amount of $1,655,000 in PIPE Convertible Notes (See Note 9 – PIPE Convertible Notes).

During the three months ended March 31, 2025, the Company issued an aggregate of 2,402,420 shares of Class A Common Stock with fair values ranging from $0.34 - $0.60 per share to PIPE Convertible Note holders in lieu of cash for interest and make whole provisions (See Note 9 – PIPE Convertible Notes).

Warrant and Option Valuation

The Company has computed the fair value of warrants and options granted using the Black-Scholes option pricing model. The expected term for warrants and options issued to non-employees is the contractual life and the expected term used for options issued to employees and directors is the estimated period of time that options granted are expected to be outstanding. The Company utilizes the "simplified" method to develop an estimate of the expected term of "plain vanilla" employee option grants. The Company is utilizing an expected volatility figure based on a review of the historical volatilities, over a period of time, equivalent to the expected life of the instrument being valued, of similarly positioned public companies within its industry. The risk-free interest rate was determined from the implied yields from U.S. Treasury zero-coupon bonds with a remaining term consistent with the expected term of the instrument being valued.

Warrant Offerings

During the three months ended March 31, 2025, the Company did not issue any warrants.

Series A Warrants

On February 2, 2024, the Company issued five year immediately vested warrants to purchase an aggregate of 1,409,092 shares of the Company's Class A Common Stock in association with the issuance of the PIPE Convertible Notes (the "Series A Warrants"). The Series A Warrants have an exercise price of $13.00 per share. The Series A Warrants had an aggregate grant date fair value of $126,819. The Series A Warrants met the definition of a liability per ASC 815 – Derivatives and Hedging.

In applying the Black-Scholes option pricing model to the Series A Warrants granted or issued, the Company used the following assumptions:

	For the Three Months Ended March 31, 2024
Risk free interest rate	4.03%
Expected term (years)	5.00
Expected volatility	53.12%
Expected dividends	0.00%

The weighted average estimated fair value of the Series A Warrants granted during the three months ended March 31, 2024, was approximately $0.09 per share.

No Series A Warrants were issued during the three months ended March 31, 2025.

Series B Warrants

On February 2, 2024, the Company issued two-and-a-half-year immediately vested warrants to purchase an aggregate of 1,550,000 shares of the Company's Class A Common Stock in association with the issuance of the PIPE Convertible Notes (the "Series B Warrants"). The Series B Warrants have an exercise price of $10.00 per share. The Series B Warrants had an aggregate grant date fair value of $15,500.

In applying the Black-Scholes option pricing model to the Series B Warrants granted or issued, the Company used the following assumptions:

	For the Three Months Ended March 31, 2024
Risk free interest rate	4.14%
Expected term (years)	2.50
Expected volatility	49.40%
Expected dividends	0.00%

The weighted average estimated fair value of the Series B Warrants granted during the three months ended March 31, 2024, was approximately $0.01 per share.

No Series B Warrants were issued during the three months ended March 31, 2025.

A summary of the warrant activity during the three months ended March 31, 2025, is presented below:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life In Years	Aggregate Intrinsic Value
Outstanding, December 31, 2024	2,959,092	$ 11.43		
Granted	-	-		
Exercised	-	-		
Forfeited	-	-		
Outstanding, March 31, 2025	2,959,092	$ 11.43	2.5	$ -
Exercisable, March 31, 2025	2,959,092	$ 11.43	2.5	$ -

The following table presents information related to stock warrants at March 31, 2025:

Warrants Outstanding		Warrants Exercisable	
Exercise Price	Outstanding Number of Warrants	Weighted Average Remaining Life In Years	Exercisable Number of Warrants
$ 10.00	1,550,000	1.4	1,550,000
$ 13.00	1,409,092	3.9	1,409,092
	2,959,092		2,959,092

NOTE 15 – STOCK-BASED COMPENSATION

The Company accounts for its stock-based compensation in accordance with the fair value recognition of ASC 718.

2024 Stock Incentive Plan

The Company did not grant options during the three months March 31, 2025 or 2024.

Compensation-based stock option activity for qualified and unqualified stock options are summarized below:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Life In Years	Intrinsic Value
Outstanding, December 31, 2024	1,131,000	$ 0.93		
Granted	-	0		
Exercised	-	0		
Forfeited	-	0		
Outstanding, March 31, 2025	1,131,000	$ 0.93	4.5	$ -
Exercisable, March 31, 2025	1,103,500	$ 0.93	4.5	$ -

The following table summarizes information about options to purchase shares of the Company's Class A common stock outstanding and exercisable at March 31, 2025:

Options Outstanding			Options Exerciseable	
Exercise Price	Outstanding Number of Options	Weighted Average Remaining Life In Years	Exerciseable Number of Options	
$ 0.93	1,131,000	4.5	1,103,500	
	1,131,000		1,103,500	

Total compensation expense related to options was $3,341 for the three months ended March 31, 2025. As of March 31, 2025, there was future compensation cost of $7,798 with a weighted average recognition period of 0.75 years.

The aggregate intrinsic value totaled $0 and was based on the Company's closing stock price of $0.35 as of March 31, 2025, which would have been received by the option holders had all option holders exercised their options as of that date.

Stock-Based Compensation Expense

The following table presents information related to stock-based compensation expense:

	For the Three Months Ended March 31, 2025	Unrecognized at March 31, 2025	Weighted Average Remaining Amortization Period (Years)
General and administrative	$ 3,341	$ 7,798	0.75
Total	$ 3,341	$ 7,798	0.75

NOTE 16 – LEASES

The Company is party to two leases: (i) office space in Centerville, Utah (the "Centerville Lease") and (ii) a warehouse in North Salt Lake City, Utah (the "SLC Lease"). The Centerville lease is scheduled to expire in May 2028 and the SLC Lease is scheduled to expire in November 2025.

The Company has operating leases for its corporate headquarters and warehouse. The Company determines if an arrangement contains a lease at inception based on the ability to control a physically distinct asset. Operating lease right-of-use assets are recorded in the consolidated balance sheets on the initial measurement of the lease liability as adjusted to include prepaid rent and initial direct costs less any lease incentives received. Lease liabilities are measured at the commencement date based on the present value of the lease payments over the lease term. The Company separately accounts for lease and non-lease components within lease agreements. The Company uses its incremental borrowing rate to present value the lease liability as key inputs to determine the interest rate implicit in the lease are not shared by lessors.

Operating lease expense is recorded on a straight-line basis over the lease term. Right-of-use assets and lease liabilities for short-term leases are not recognized in the consolidated balance sheets. Payments for short-term leases are recognized in the consolidated statements of operations on a straight-line basis over the lease term.

When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its estimated incremental borrowing rate at lease inception point. The weighted average incremental borrowing rate applied was 8.39%. As of March 31, 2025, the Company's leases had a remaining weighted average term of 2.15 years.

The following table presents net lease cost and other supplemental lease information:

	March 31, 2025	December 31, 2024
Lease cost		
Operating lease cost (cost resulting from lease payments)	$ 107,336	$ 403,109
Net lease costs	$ 107,336	$ 403,109
Operating lease - operating cash flows (fixed payments)	$ 107,336	$ 403,109
Operating lease - operating cash flows (liability reduction)	$ 93,865	$ 334,254
Non-current leases - right-of-use assets	$ 545,915	$ 634,269
Current liabilities - operating lease liabilities	$ 296,291	$ 363,102
Non-current liabilities - operating lease liabilities	$ 278,071	$ 305,125

Future minimum payments under non-cancelable leases for operating leases for the remaining terms of the leases following the three months ended March 31, 2025, are as follows:

Fiscal Year	Operating Leases
2025	$ 299,654
2026	140,163
2027	144,227
2028	60,809
Total future minimum lease payments	$ 644,853
Amount representing interest	(70,491)
Present value of net future minimum lease payments	$ 574,362

NOTE 17 – SEGMENT INFORMATION

The Company currently operates as one business segment, which is also the sole reportable segment, focusing on the manufacturing and sales of indoor golf simulators. The Company's business offerings have similar economic and other characteristics, including the nature of products, manufacturing, types of customers, and distribution methods. The determination of a single business segment is consistent with the consolidated financial information regularly provided to the Company's chief operating decision maker ("CODM"). The Company's CODM is its Principal Executive and Financial Officer and Director, who reviews and evaluates consolidated profit and loss and total assets for the purpose of assessing performance, making operating decisions, allocating resources, and planning and forecasting for future periods.

In addition to the significant expense categories included within net loss presented on the Company's Consolidated Statements of Operations, see below for disaggregated amounts that comprise consulting, contract labor, personnel, business development, royalty, and marketing expenses:

	For The Three Months Ended March 31,	
	2025	2024
Consulting expenses	$ 633,981	$ 410,104
Contract labor	613,340	222,208
Personnel expenses	1,946,816	1,619,387
Business development expenses	119,610	263,844
Royalty expenses	225,320	329,888
Marketing expenses	334,378	111,489
Other expenses*	1,023,810	1,039,764
Total operating expenses	$ 4,897,255	$ 3,996,684

* Other expenses is materially comprised of rent, insurance, stock-based compensation, depreciation and amortization, licenses, dues and subscriptions, travel and entertainment, and merchant fees.

NOTE 18 – COMMITMENTS AND CONTINGENCIES

Legal Claims

There are no material pending legal proceedings in which the Company or any of its subsidiaries is a party or in which any director, officer or affiliate of the Company, any owner of record or beneficially of more than 5% of any class of its voting securities, or security holder is a party adverse to the Company, or has a material interest adverse to the Company.

NOTE 19 – CONCENTRATION OF CREDIT RISK

Cash Deposits

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. As of March 31, 2025 and December 31, 2024, the Company had approximately $11,244,000 and $9,662,000, respectively, in excess of the FDIC insured limit.

NOTE 20 – SUBSEQUENT EVENTS

Dividend Notes Payable

On April 21, 2025, the Company entered into agreements with the holders of approximately $3.9 million in outstanding notes payable (including accrued interest) originally issued in November 2022, including officers and directors of the Company, pursuant to which such note holders converted all outstanding amounts payable to such note holders into (i) 8,283,139 shares of the Company's Class B common stock, with respect to $2.6 million in principal and interest of such notes payable, and into (ii) 4,233,077 shares of Class A common stock, with respect to $1.3 million in principal and interest of such notes payable, in each case at a conversion price of $0.31204 per share, which was above the closing price of the Company's Common Stock prior to conversion.

PIPE Convertible Notes

On April 21, 2025, the Company agreed to cancel and rescind the conversion of $300,000 of PIPE Convertible Notes, plus interest, as a result of such noteholder not being able to take possession of such conversion shares prior to the expiration of a DWAC deposit by our transfer agent with the Depository Trust Company.

On April 22, 2025, the Company entered into Exchange Agreements (the "Exchange Agreements" and each, an "Exchange Agreement"), by and among the Company and each of the Holders, pursuant to which each such Holder would exchange (i) the amounts remaining outstanding under the PIPE Convertible Notes and certain other amounts outstanding with respect thereto in the aggregate amount (the "Note Exchange"), and (ii) the PIPE Warrants. Pursuant to the Exchange Agreements, on the effective date of the Exchange Agreements, the PIPE Warrants were exchanged, in reliance on the exemption from registration provided by Section 3(a)(9) of the Securities Act of 1933, as amended (the "Securities Act"), into an aggregate of 1,885 shares of the Company's newly created Series A preferred stock (the "Series A Preferred Stock" and such Series A Preferred Stock to be issued in the exchange of the PIPE Warrants, the "Initial New Exchange Preferred Shares", and such shares of Class A Common Stock (the "Common Stock") issuable pursuant to the terms of the Certificate of Designations, including, without limitation, upon conversion or otherwise, collectively, the "Initial New Exchange Conversion Shares"), and (ii) a warrant to purchase up to 37,033 shares of Series A Preferred Stock.

The Note Exchange will occur on the Closing Date (as defined in the Exchange Agreements), whereby the amounts owing under the PIPE Convertible Notes will be exchanged into shares of the Company's Series A Preferred Stock. From the date of the Exchange Agreements until the date of the Note Exchange, the conversion price of the PIPE Convertible Notes was reduced to $1.00 per share.

Additionally, the Exchange Agreements amended the Prior Purchase Agreement and contained certain covenants of the Company to, among other items, hold one or more stockholder meetings no later than 90 days following the execution of the Exchange Agreements to approve the shares of the Company's Common Stock issuable underlying the Series A Preferred Stock upon conversion in compliance with the rules and regulations of the Nasdaq Stock Market.

Issuance of Common Stock

Subsequent to March 31, 2025, the Company issued an aggregate of 2,182,159 shares of Class A common stock with fair values ranging from $0.221 - $1.00 per share to PIPE Convertible Note holders in connection with the conversion of outstanding PIPE Convertible Notes, accrued interest, and make-good provisions.

On May 5, 2025, the Company issued 50,000 shares of Class A common stock with a fair value of $0.284 per share to a PIPE Convertible Note holder in lieu of cash for accrued interest.

GUARANTEE OF PERFORMANCE

For value received, TruGolf Holdings, Inc., a Delaware corporation (the "Guarantor"), located at 60 North 1400, West Centerville, Utah 84014, absolutely and unconditionally guarantees to assume the duties and obligations of TruGolf Links Franchising LLC, a Delaware limited liability company (the "Franchisor"), located at 60 North 1400 West Centerville, Utah 84014, under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2025 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of the Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and on its successors and assigns.

The Guarantor signs this guarantee at Centerville, Utah on the 27th day of May 2025.

Guarantor:

TRUGOLF HOLDINGS, INC.

By: Chris Jones
Chris Jones (May 27, 2025 09:22 MDT)
Name: Christopher Jones
Title: CEO

EXHIBIT C
TO THE FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

TRUGOLF LINKS FRANCHISING, LLC

FRANCHISE AGREEMENT

Table of Contents

Page

1. GRANT 2
2. TERM AND RENEWAL 4
3. FEES AND PAYMENTS 5
4. SERVICES BY FRANCHISOR 7
5. OBLIGATIONS OF FRANCHISEE; OPERATIONAL STANDARDS 8
6. ADVERTISING AND MARKETING 24
7. RECORDS AND REPORTS 28
8. PROPRIETARY MARKS 29
9. MANUALS 31
10. CONFIDENTIALITY AND COVENANTS NOT TO COMPETE 32
11. INSURANCE 34
12. TRANSFER OF INTEREST 37
13. DEFAULT AND TERMINATION 42
14. OBLIGATIONS UPON TERMINATION OR EXPIRATION 46
15. TAXES, PERMITS, AND INDEBTEDNESS 48
16. INDEPENDENT CONTRACTOR AND INDEMNIFICATION 49
17. GOVERNING LAW AND DISPUTE RESOLUTION 50
18. TIME IS OF THE ESSENCE 52
19. APPROVALS, WAIVERS, AND BINDING EFFECTS 52
20. NOTICES 53
21. FORCE MAJEURE 53
22. IMMUNITY FOR CERTAIN LIMITED DISCLOSURES 53
23. ENTIRE AGREEMENT AND AMENDMENT 54
24. SEVERABILITY; ENFORCEMENT OF COVENANTS; CONSTRUCTION 54
25. JOINT AND SEVERAL OBLIGATION 54
26. INCORPORATION OF EXHIBITS 54
27. COUNTERPARTS 55
28. SURVIVAL OF PROVISIONS 55
29. REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGMENTS 55
30. BUSINESS JUDGMENT 56

Exhibits:

A Identification of Franchisee
B Site Selection Addendum
C Authorization Agreement for Prearranged Payments (Direct Debits)
D Statement of Ownership Interests
E Guarantee, Indemnification, and Acknowledgment
F Non-Disclosure Agreement
G Addendum to Lease

FRANCHISE AGREEMENT

TruGolf Links Franchising, LLC ("Franchisor") and the undersigned (the "Franchisee") enter into this Franchise Agreement (this "Agreement") as of the ____ day of _____, 20___ (the "Effective Date").

RECITALS

A. Franchisor, as the result of the expenditure of significant time, skill, effort, and money, has developed a distinctive and proprietary system (the "TruGolf Links System" or "System") for establishing and operating businesses that provide dedicated indoor facilities featuring high-tech simulator bays for golf and a variety of arcade games, a full bar and snack bar featuring high quality assembled and ready-to-eat menu items, a retail sales area with logo apparel and other items, the sale of TruGolf home simulators and equipment, and event space under the "TruGolf Links" trade name and business system ("TruGolf Links Services and Products"). You will be open to the public and offer memberships, lessons, leagues, tournaments and special events.

B. The distinguishing characteristics of the System include, among other things: one or more specially-designed indoor facilities; site selection and layout criteria; distinctive interior and exterior image, design, décor, signage, color scheme, and furnishings, trade dress elements; proprietary products; standards, specifications, policies, and procedures for construction and management; quality, distinctiveness, and uniformity of products and services; standards, specifications, policies, and procedures for operations; training and assistance; and advertising and promotional programs, all as more particularly described and designated in the Manuals (defined below) and all of which Franchisor may change, improve, and further develop at its option from time to time;

C. Franchisor identifies the System by means of certain licensed trade names, service marks, trademarks, logos, emblems, and indicia of origin, including the mark "TruGolf Links" and such other trade names, service marks, and trademarks as are now designated (and may hereinafter be designated) by Franchisor in writing for use in connection with the System (the "Proprietary Marks"). Franchisor uses such Proprietary Marks in order to identify for the public the source of products and services marketed thereunder and under the System, and to represent the System's high standards of cleanliness, quality, appearance, and service;

D. Franchisor is in the business of franchising others to operate centers that sell TruGolf Links Services and Products and products and services that Franchisor designates under the System and the Proprietary Marks (each a "TruGolf Links Center") and Franchisee desires to operate a TruGolf Links Center and to receive the training and other assistance provided by Franchisor in connection therewith; and

E. Franchisee understands and acknowledges the importance of Franchisor's high standards of quality, cleanliness, appearance, and service and the necessity of operating the business franchised under this Agreement in conformity with Franchisor's standards and specifications.

Now, therefore, in consideration of the foregoing and of the covenants contained in this Agreement, the parties agree as follows:

1. GRANT

1.1 Grant of Rights. Upon the terms and conditions set forth in this Agreement, Franchisor hereby grants to Franchisee the right, and Franchisee accepts and undertakes the obligation, to: (a) operate one (1) TruGolf Links Center under the System (the "Franchised Business"); (b) to use, only in connection with the Franchised Business, the Proprietary Marks and the System, as they may be changed, improved, or further developed from time to time by Franchisor; and (c) and to do so only at or from a physical premises located within the Service Area (defined below in Section 1.2) at the location specified in Exhibit A. Franchisee may only market and solicit customers for the Franchised Business within the Service Area. Franchisee may not market or solicit customers outside of the Service Area without Franchisor's prior written permission. If, at the time of execution of this Agreement, a location for the Franchised Business has not been obtained by Franchisee and approved by Franchisor, Franchisee shall lease, sublease, or acquire a site for the Franchised Business, subject to Franchisor's written consent in accordance with the Site Selection Addendum attached as Exhibit B (the "Site Selection Addendum"). Franchisor shall grant or withhold consent of the location of the Franchised Business under this Section 1.1 at its sole option. In connection with Franchisor's consent to the location, Franchisee shall execute, and cause the landlord to execute, the Addendum to Lease appended hereto as Exhibit G. Franchisee acknowledges and agrees that Franchisor's consent to Franchisee's proposed location, under this Section 1.1 or pursuant to the Site Selection Addendum, does not constitute any assurance, representation, or warranty of Franchisor of any kind. Franchisee may not relocate the Franchised Business without Franchisor's prior written consent.

1.2 Service Area. Except as otherwise described in this Agreement, for so long as Franchisee is in full compliance with this Agreement, Franchisor will not, during the term of this Agreement, operate or license others to operate a TruGolf Links Center at a physical premises located within the Service Area. "Service Area" shall mean the area described in Exhibit A, with the exception of any outlet that is defined in this Agreement as an Alternative Point of Distribution (defined below) that is developed, constructed, operated, merchandised, sold, licensed, and/or franchised to others by Franchisor to sell TruGolf Links Services and Products, products, and services to the public within the Service Area, as may be revised in accordance with Section 1.2.2 hereof. "Alternative Point(s) of Distribution" shall mean any outlet described in Section 1.2.2 of this Agreement. Franchisor retains all other rights not expressly granted in this Agreement. Without obligation to Franchisee, Franchisor, its affiliates, and any person or entity authorized by Franchisor may, among other things, and regardless of proximity to or economic impact upon the Franchised Business:

1.2.1 Advertise and promote the brand and System within and outside of the Service Area;

1.2.2 Operate, and license others to operate, TruGolf Links Centers at any location outside the Service Area, including at locations that are adjacent to the Service Area and despite the proximity of such TruGolf Links Centers to the Service Area or Franchisee's Franchised Business or their actual or threatened impact on sales at Franchisee's Franchised Business.

1.2.3 Sell or authorize others to sell TruGolf Links Services and Products, products, and services to members and customers within and outside the Service Area through Alternative Points of Distribution, which include outlets (whether mobile or fixed, permanent, or temporary) located on military bases, institutional outlets (including college campuses, hospitals and school lunch programs), fairs, athletic contests, or other special events, convenience stores, casinos, airports, and larger retail outlets, toll roads, limited access highways, schools, universities, enclosed shopping malls, hotels, industrial or government facilities, amusement or theme park complexes, train stations, bus stations, or other transportation facilities, and other locations owned or operated by major institutions with sites throughout the country or a particular state, or any other outlet and to use the System in connection with those Alternative Points of Distribution.

1.2.4 Offer and sell, or license others to offer and sell, any products or services (including those offered by the Franchised Business), under any marks (including the Proprietary Marks) outside of the Service Area, and through any means (including through a TruGolf Links Center);

1.2.5 Offer and sell, and authorize others to offer and sell, approved products and services, including those offered, sold, or used at the Franchised Business (such as simulators, equipment, paraphrenia, clothing, and other branded merchandise and memorabilia), under the Proprietary Marks or other marks at or from any location or through any channel of distribution (including, but not limited to, retail stores, infomercials, catalogs, the Internet, e-commerce, direct response marketing campaigns, or similar marketing channels or initiatives);

1.2.6 Establish, operate, and license others to establish and operate, businesses other than TruGolf Links Centers, which businesses may be identified by other trademarks, and/or may offer or sell products and services that are the same as or similar to the products and services offered by TruGolf Links Centers, within and outside of the Service Area and despite the proximity of such businesses to the Service Area or Franchisee's Franchised Business or their actual or threatened impact on sales at Franchisee's Franchised Business;

1.2.7 Develop or become associated with other concepts (including other franchise systems), whether or not using the System and/or the Proprietary Marks, and/or offer or sell franchises under such concepts for locations within and outside of the Service Area;

1.2.8 Acquire, be acquired by, merge, affiliate with, or engage in any transaction with other businesses (whether competitive or not) with outlets located anywhere and, even if such businesses are located in the Service Area; (i) convert the other businesses to TruGolf Links Centers, (ii) permit the other businesses to continue to operate under another name, and/or (iii) permit the other businesses to operate under another name and convert existing TruGolf Links Centers to such other name. Franchisee agrees to participate at Franchisee's expense in any such conversion as may be required by Franchisor and to waive any claims, demands or damages arising from or related to the loss of the "TruGolf Links" name, the Proprietary Marks (or any variation thereof) and the System and/or the loss of association with or identification of Franchisor under this Agreement;

1.2.9 Engage in any other activity, action, or undertaking that Franchisor or its affiliates are not expressly prohibited from taking under this Agreement.

1.3 No Right to Subfranchise. Franchisee may not subfranchise, sublicense, or relicense to others any right to use the System or the Proprietary Marks.

1.4 Goodwill and TruGolf Links Name. Except as expressly provided by this Agreement, Franchisee shall acquire no right, title, or interest in and to the System. Any and all goodwill associated with the System or Proprietary Marks shall inure exclusively to Franchisor's benefit; and, upon the expiration or termination of this Agreement for any cause whatsoever, Franchisor shall not have any obligation to pay any money for any goodwill associated with Franchisee's use of the System. Franchisee shall not take any action whatsoever to contest the validity or ownership of the System or the goodwill associated with the System. Franchisee shall have no right to use in its name the name "TruGolf Links" or any other names used by Franchisor.

2. TERM AND RENEWAL

2.1 Term. Except as otherwise provided herein and unless sooner terminated in accordance with the provisions hereof, the initial term of this Agreement shall commence on the Effective Date and expire on the date that is ten (10) years after the Effective Date.

2.2 Renewal. Franchisee may, at its option, renew Franchisee's right to operate the Franchised Business for one (1) additional consecutive term of ten (10) years, subject to the following conditions, each of which Franchisee must meet prior to such renewal:

2.2.1 Franchisee shall deliver to Franchisor a written notice of Franchisee's election to renew no fewer than twelve (12) months nor more than eighteen (18) months prior to the expiration of the initial term;

2.2.2 Franchisee shall pay in lieu of the initial franchise fee, a renewal fee equal to twenty-five percent (25%) of Franchisor's then-current initial franchise fee for a new TruGolf Links Center when it delivers the written notice required under Section 2.2.1;

2.2.3 Franchisee shall not have received, prior to its election to renew, written notice of three (3) or more separate defaults under this Agreement or written notice of default on more than three (3) separate occasions and, from the time of Franchisee's election to renew through the expiration of the initial term, Franchisee shall not have been in default of any provision of this Agreement, any amendment to this Agreement, or any other agreement between Franchisee or its affiliates and Franchisor or its affiliates; and, in the reasonable judgment of Franchisor, Franchisee shall have substantially complied with all the terms and conditions of this Agreement, such other agreements, as well as the operating standards prescribed by Franchisor during the term of this Agreement;

2.2.4 Franchisee shall present evidence to Franchisor that Franchisee has the right to remain in possession of the premises of the Franchised Business for the duration of the renewal term, or shall obtain approval by Franchisor of a new location for the Franchised Business for the duration of the renewal term;

2.2.5 Franchisee shall refurbish, remodel, renovate, and upgrade the Franchised Business to comply with Franchisor's then-current specifications for new TruGolf Links Centers of the same or similar type, including fixtures, furnishings, technology and kitchen equipment, which may differ materially from the specifications in effect as of the Effective Date of this Agreement.

2.2.6 Franchisee shall have satisfied all monetary obligations owed by Franchisee to Franchisor and its affiliates, and shall have timely met those obligations throughout the term of this Agreement;

2.2.7 Franchisee shall execute a general release, in a form satisfactory to Franchisor of any and all claims against Franchisor and its current and former affiliates, and their respective past and present owners, officers, directors, agents, and employees;

2.2.8 Franchisee shall execute Franchisor's then-current form of franchise agreement, which agreement shall supersede this Agreement in all respects (except with respect to the renewal provisions of the new franchise agreement, which shall not supersede this Section 2.2), and Franchisee acknowledges that the terms, conditions, and provisions of which, and the obligations of the parties thereto, may differ substantially from the terms, conditions, provisions and obligations in this Agreement, including

a higher percentage Royalty Fee and Brand Development Fund Contribution or local advertising expenditure, and a different or modified Service Area;

2.2.9 Franchisee and its personnel shall comply with Franchisor's then-current qualification and training requirements, prior to commencement of operations under the renewal form of franchise agreement.

2.3 No Assurances of a Renewal Franchise Agreement. Franchisee accepts this Agreement with the full and complete understanding that the grant of rights to operate a franchise hereunder is not a promise or assurance that Franchisee will be granted a renewal franchise agreement.

2.4 Holdover. In the event the parties continue to perform under this Agreement after expiration of the initial term or any renewal term, as applicable, without executing a new agreement, this Agreement will be deemed to extend on a month-to-month basis and both parties will have the right to terminate (and prevent further extensions of) this Agreement upon at least thirty (30) days' written notice.

3. FEES AND PAYMENTS

3.1 Franchise Fee. Franchisee shall pay Franchisor an initial franchise fee of Forty-Five Thousand Dollars ($45,000), upon execution of this Agreement. Except as otherwise stated in this Agreement, the Franchise Fee is fully earned and non-refundable in consideration of the administrative and other expenses incurred by Franchisor in granting this franchise and for Franchisor's lost or deferred opportunity to offer the rights to this franchise to others.

3.2 Training Fee. Franchisee shall pay to Franchisor a training fee of Seven Thousand, Five Hundred Dollars ($7,500) (the "Training Fee") upon execution of this Agreement. The Training Fee is consideration for initial training for Franchisee's Principal Trainees, as described in Section 5.4.

3.3 Royalty Fees. Franchisee shall pay Franchisor a continuing royalty fee in an amount equal to six percent (6%) of the Franchised Business's Gross Sales ("Royalty Fees") for the immediately preceding month. Franchisor may, at its sole option, adjust the amount of the required monthly Royalty Fees upon thirty (30) days' prior written notice to Franchisee; provided, (i) the Royalty Fees will not be increased by more than one-half percent (0.5%) during any 12-month period, and (ii) the Royalty Fees will not exceed eight percent (8%) of Gross Sales. Franchisee shall pay the Royalty Fees on a monthly basis in the manner designated in Section 3.5 below.

3.3.1 "Gross Sales" means all revenue from the provision of all services and products sold or performed by or for Franchisee in, at, from or away from the Franchised Business, or through or by means of the Franchised Business, and all other income of every kind and nature related to, derived from, or originating from the Franchised Business, whether from cash, check, credit card, debit card, barter or exchange, or other means, and irrespective of the collection thereof, and including, all member and customer fees and payments, including, without limitation, membership agreement fees, corporate/third party payor fees, and proceeds from any business interruption insurance; provided, however, that "Gross Sales" excludes (i) sales taxes, use taxes, and other similar taxes added to the sales price and collected from the member or customer and paid to the appropriate taxing authority; (ii) any bona fide refunds and credits that are actually provided to members or other customers; and (iii) receipts from the sale of used equipment.

3.4 Brand Development Fund Contribution. Following establishment of a Brand Development Fund, Franchisee shall pay Franchisor or its designee a Brand Development Fund Contribution (defined in Section 6.2) in an amount designated by Franchisor (beginning at one percent (1%) of Gross Sales), but in no event no more than five percent (5%) of Gross Sales. The required Brand Development Fund

Contribution will not be increased by more than one percent (1%) during any 12-month period. The Brand Development Fund Contribution is payable monthly by Franchisee in the manner designated or prescribed by Franchisor in Sections 3.5 and 6.2 below and/or in the Manuals.

3.5 Continuing Payments, EFT, and Reporting Obligations. Except as otherwise described in this Agreement, all payments required by this Section 3 and Section 6 below based on the Gross Sales for the preceding calendar month shall be paid and submitted by electronic funds transfer so as to be received by Franchisor by the fifteenth (15th) day of each calendar month, or such other date as Franchisor may designate in writing in the Manuals. Franchisee shall execute a form of electronic funds transfer ("EFT") authorization (in the form attached as Exhibit C to this Agreement or such other forms that Franchisor designates) for direct debits from Franchisee's business bank operating account. Franchisee shall deliver to Franchisor any and all reports, statements and/or other information required under this Agreement, including Section 7 below, at the time and in the format reasonably requested by Franchisor, which may include electronically polled data from Franchisee's point-of-sale system. Franchisee shall comply with the payment and reporting procedures specified by Franchisor in this Agreement and the Manuals. To ensure that payments are received by Franchisor on as timely basis, such policies and procedures may require that Franchisee have sufficient funds in its account by a date certain, as the EFT process may sweep such account the day before for payment on the preceding day. Franchisee's obligations for the full and timely payment of Royalty Fees and Brand Development Fund Contributions, and all other amounts provided for in this Agreement, shall be absolute, unconditional, fully earned, and due upon Franchisee's generation of Gross Sales. Franchisee shall not for any reason delay or withhold the payment of all or any part of those or any other payments due hereunder, put the same in escrow, or set off same against any claims or alleged claims Franchisee may allege against Franchisor or others. Franchisee shall not, on grounds of any alleged nonperformance by Franchisor or others, withhold payment of any fee, including Royalty Fees or Brand Development Fund Contributions, nor withhold or delay submission of any reports due hereunder. Franchisor reserves the right to change the due date of any fees upon ten (10) days' prior written notice to Franchisee.

3.6 Technology Fee. Franchisee must pay Franchisor a monthly technology fee ("Technology Fee") in its then-current amount for access to and/or use of technology systems, services, platforms, and software that Franchisor requires Franchisee to obtain or access through Franchisor, as Franchisor deems necessary and advisable in its sole determination, which may include, for example, licenses, subscriptions, development, maintenance, and/or access to point-of-sale software and platform, intranet, online ordering system, streaming music software, learning management system, and a TruGolf Links email address. Franchisor reserves the right to change, add to, remove from, or substitute the types, nature, and ultimate vendor of technology systems, services, platforms, and software that Franchisee must obtain or access through Franchisor. Franchisor may increase or otherwise change the amount of the Technology Fee upon prior written notice to Franchisee, including upon changes in the technology systems, services, platforms, and software that Franchisee must obtain or access through or from Franchisor or changes in Franchisor's costs regarding such technology systems, services, platforms, and software.

3.7 No Subordination. Franchisee shall not subordinate to any other obligation its obligation to pay Franchisor the Royalty Fees and/or any other fee or charge payable to Franchisor, whether under this Agreement or otherwise.

3.8 Overdue Payments and Reports; Interest. Any payment or report not actually received by Franchisor (or the appropriate brand development fund) on or before the date such payment or report is due shall be deemed overdue. If any payment or report is overdue, Franchisee shall pay Franchisor, in addition to the overdue amount, a late payment/late report charge of one hundred dollars ($100) for each week or part thereof that the payment or report is late, and interest on the past due amount from the date it was due

until paid, at the rate of two percent (2.0%) per month, or the maximum rate permitted by law, whichever is less. Entitlement to such interest shall be in addition to any other remedies Franchisor may have.

3.9 Payments on Behalf of Franchisee. Franchisee shall pay to Franchisor, within fifteen (15) days of any written request by Franchisor which is accompanied by reasonable substantiating material, any monies which Franchisor has paid, or has become obligated to pay, on behalf of Franchisee, by consent or otherwise under this Agreement.

3.10 Other Payments. All payments and fees owed by Franchisee to Franchisor shall be paid by Franchisee in the manner and within the time periods as provided for in this Agreement or in the Manuals. Franchisor reserves the right to collect all fees and payments due by Franchisee by EFT as provided for in Section 3.5 or otherwise in the Manuals.

3.11 No Refunds. Upon the expiration or termination of this Agreement, Franchisor shall not refund any amounts paid pursuant to this Agreement for any reason whatsoever.

4. SERVICES BY FRANCHISOR

4.1 Development of the Franchised Business. Franchisor or its designee shall make available to Franchisee a copy of its standard construction/build-out package, as modified from time to time, including plans and specifications, site criteria, and sample site plans, which Franchisee must adapt, at Franchisee's expense, for use at the site selected by Franchisee and approved by Franchisor, and a copy of Franchisor's specifications for the furniture, fixtures, furnishings, equipment, signs, and all other property that Franchisor may specify for use in the Franchised Business. Franchisee acknowledges that such specifications shall not contain the requirements of any federal, state or local law, code or regulation (including those concerning the Americans with Disabilities Act (the "ADA") or similar rules governing public accommodations or commercial facilities for persons with disabilities), nor shall such plans contain the requirements of, or be used for, construction/build-out drawings or other documentation necessary to obtain permits or authorization to build a specific TruGolf Links Center, compliance with all of which shall be Franchisee's responsibility and at Franchisee's expense. Franchisee shall adapt, at Franchisee's expense, the standard specifications to the Franchised Business location, subject to Franchisor's approval, as provided in Section 5.1 below, which will not be unreasonably withheld, provided that such plans and specifications conform to Franchisor's general criteria. Franchisee understands and acknowledges that Franchisor has the right to modify the architectural plans and specifications as Franchisor deems appropriate from time to time.

4.2 Initial and Ongoing Assistance. Prior to the Franchised Business opening, Franchisor shall provide to Franchisee's Operating Principal (as defined in Section 5.26.4.1 below), General Manager (as defined in Section 5.26.4.3 below) and to such of Franchisee's other employees of which Franchisor shall approve for training, such training programs as Franchisor may designate, to be conducted at such time(s) and location(s) designated by Franchisor. Franchisor shall also provide such ongoing training as it may, from time to time, deem appropriate.

4.3 Opening Assistance. Franchisor will provide such pre-opening assistance to Franchisee as Franchisor deems advisable, which may include assisting Franchisee in formulating its initial opening orders for equipment, inventory, and supplies. Franchisor may have one of its representatives present at the Franchised Business for such assistance and consultation as it deems appropriate. The date, time, and nature of the pre-opening support will be determined by Franchisor at its sole option.

4.4 Manuals. Franchisor shall loan or otherwise provide Franchisee access to Franchisor's confidential Brand Standards Manual and other manuals (the "Manuals"), which may be revised from Franchisor from time to time.

4.5 Merchandising and Marketing Advice. Franchisor shall provide Franchisee such merchandising, marketing, advertising, sales, and other related advice as Franchisor deems advisable and as Franchisor may develop from time to time. Franchisor may establish and administer a system-wide Brand Development Fund in the manner set forth in Section 6 below.

4.6 Ongoing Assistance. Franchisor shall provide such periodic individual or group advice, consultation, and assistance, rendered by personal visit, telephone, mail, or e-mail and made available from time to time as Franchisor deems advisable at the time(s) and in the manner determined by Franchisor.

4.7 Bulletins and Reports. Franchisor shall provide Franchisee such bulletins, intranet information, brochures, and reports published by Franchisor from time to time as Franchisor deems advisable regarding its plans, policies, research, developments, and activities.

4.8 Computer System. Franchisor shall have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, software, and hardware to be used by, between, or among TruGolf Links Centers, including: (a) back office and point-of-sale systems, reservations systems, learning management system, data, audio, video, and voice storage, retrieval, and transmission systems for use at Franchisee's Franchised Business, between or among TruGolf Links Centers, and between and among Franchisee's Franchised Business and Franchisor and/or Franchisee; (b) physical, electronic, and other security systems; (c) printers and other peripheral devices; (d) archival back-up systems; (e) e-mail systems; and (f) Internet access mode and speed (collectively, the "Computer System").

4.9 Inspection. Franchisor shall have the right to inspect the Franchised Business prior to the opening of the Franchised Business and periodically throughout the term of this Agreement as described in Section 5.13 below.

4.10 Delegation of Duties. Franchisee acknowledges and agrees that any designee, employee, or agent of Franchisor may perform any duty or obligation imposed on or available to Franchisor by this Agreement, as Franchisor may direct.

5. OBLIGATIONS OF FRANCHISEE; OPERATIONAL STANDARDS

5.1 System Standards and Development of Franchised Business. Franchisee understands and acknowledges that every detail of the Franchised Business is important to Franchisor, Franchisee, and other franchisees in order to develop and maintain high operating standards, to increase the demand for the products sold by all franchisees, and to protect Franchisor's reputation and goodwill. Franchisee shall construct, furnish, and open the Franchised Business according to the requirements contained herein, and Franchisee shall open the Franchised Business at the later of (a) one hundred twenty (120) days after the Effective Date, or (b) if upon execution of this Agreement, a location for the Franchised Business has not been obtained by Franchisee and approved by Franchisor, one hundred eighty (180) days after the later of (i) Franchisor's approval of the location for the Franchised Business pursuant to the Site Selection Addendum), or (ii) Franchisee's access to the leased premises as permitted by the lessor under the lease.

5.2 Pre-Opening Obligations. Before commencing any construction or build-out of the Franchised Business, Franchisee, at its expense, shall comply, to Franchisor's satisfaction, with all of the following requirements:

5.2.1 Franchisee shall employ a qualified, licensed architect or engineer who is approved by Franchisor to prepare, for Franchisor's approval, preliminary plans and specifications for site improvement and construction of the Franchised Business based upon the site construction package furnished by Franchisor or its designee pursuant to Section 4.1, and as may otherwise be authorized by Franchisor due to the particularities of the site of the proposed location. Franchisor's approval shall be limited to conformance with Franchisor's standard image specifications and layout and shall not relate to Franchisee's obligations with respect to any federal, state and local laws, codes and regulations including the applicable provisions of the ADA regarding the construction, design and operation of the Franchised Business, which subjects shall be Franchisee's sole responsibility.

5.2.2 Franchisee shall comply, at Franchisee's expense, with all federal, state, and local laws, codes, and regulations, including the applicable provisions of the ADA regarding the construction/build-out, design, and operation of the Franchised Business.

5.2.3 Franchisee shall be responsible for obtaining all zoning classifications and clearances which may be required by state or local laws, ordinances, or regulations or which may be necessary or advisable owing to any restrictive covenants relating to Franchisee's location. After having obtained such approvals and clearances, Franchisee shall submit to Franchisor, for Franchisor's approval, final plans for construction based upon the preliminary plans and specifications. Franchisor's review and approval of plans shall be limited to review of such plans to assess compliance with Franchisor's design standards for TruGolf Links Centers. Once approved by Franchisor, such final plans shall not thereafter be changed or modified without the prior written permission of Franchisor. Any such change made without Franchisor's prior written permission shall constitute a material default under this Agreement and Franchisor may withhold its authorization to open the Franchised Business for business until the unauthorized change is rectified (or reversed) to Franchisor's reasonable satisfaction.

5.2.4 Franchisee shall obtain all permits and certifications required for the lawful construction, build-out, and operation of the Franchised Business and shall certify in writing to Franchisor that all such permits and certifications have been obtained. Franchisee shall provide copies of all such permits and certificates to Franchisor within ten (10) days of Franchisor's request for same.

5.2.5 Franchisee shall employ a qualified licensed general contractor approved by Franchisor to construct/build-out the Franchised Business and to complete all improvements. Franchisee shall obtain and maintain in force during the entire period of construction the insurance required under Section 11 below; and Franchisee shall deliver to Franchisor such proof of such insurance as Franchisor shall require.

5.2.6 Prior to signing a lease, Franchisee shall submit to Franchisor a final draft of the lease for the Franchised Business premises. The lease must contain the provisions contained in Exhibit G (Addendum to Lease) hereof and be approved in writing by Franchisor prior to Franchisee's signing of the final lease. Within fifteen (15) days following Franchisee's execution of the lease for the Franchised Business premises, Franchisee shall provide to Franchisor copies of (i) the fully executed lease for the premises and the executed Addendum to Lease and (ii) the landlord's and property management company's notice address and contact information.

5.3 Franchised Business Opening. In connection with the opening of the Franchised Business:

5.3.1 Franchisee shall not open the Franchised Business for business without first complying with all of Franchisor's pre-opening requirements and obligations contained in this Agreement and the Manuals and obtaining Franchisor's prior written consent.

5.3.2 Franchisee shall draw upon the Grand Opening Program Amount as described in Section 6.1 to conduct such grand opening and promotional activities as Franchisor may require.

5.3.3 Franchisee shall not open the Franchised Business until Franchisor has determined that all construction/build-out has been substantially completed, and that such construction/build out conforms to Franchisor's standards, including materials, quality of work, signage, decor, paint, and equipment.

5.3.4 Franchisee shall not open the Franchised Business until the Operating Principal and the General Manager have successfully completed all training required by Franchisor, and Franchisee has hired and trained a sufficient number of employees to service the anticipated level of the Franchised Business's members and customers.

5.3.5 Franchisee shall not open the Franchised Business until all amounts due to Franchisor under this Agreement or any other related agreements have been paid.

5.4 Training. Franchisee acknowledges that its owners and managers must be knowledgeable regarding the operation of TruGolf Links Centers, including the preparation and delivery of TruGolf Links Services and Products and the provision of customer service in accordance with the brand standards established by Franchisor, which may be modified by Franchisor from time to time. Franchisee acknowledges that successful completion of Franchisor's training programs by Franchisee's owners and managers is critical to properly own, operate, and manage the Franchised Business. Franchisee's Operating Principal and General Manager (or another employee that attends Franchisor's initial training program) must also successfully complete any state and/or local mandated food handling program, if any, before commencing training with Franchisor, and each trainee must provide a certificate of successful completion of such program prior to commencing training. Also, Franchisee's employees must be covered by Franchisee's workers' compensation insurance policy prior to commencing training with Franchisor, and Franchisee must provide evidence of such coverage upon request by Franchisor. At least two (2) individuals must attend and successfully complete Franchisor's initial training program: the Franchisee's Operating Principal, and at least one (1) full-time General Manager (or if Franchisee's Operating Principal and Genera Manager are the same person, Franchisee's Operating Principal and one (1) other management-level employee of Franchisee as approved by Franchisor) (collectively, the "Franchisee's Principal Trainees").

5.4.1 Initial Training. Prior to the opening of the Franchised Business, the Franchisee's Principal Trainees must attend and successfully complete, to Franchisor's satisfaction, the initial training program (including any required on-site training) offered by Franchisor. All aspects of the Franchised Business shall be conducted under the management and supervision of the Operating Principal. In addition, the daily operations of the Franchised Business shall be supervised under the active full-time, on-site management of the Operating Principal or General Manager who has successfully completed (to Franchisor's satisfaction) Franchisor's initial training program. In exchange for Franchisee's payment of the Training Fee set forth in Section 3.2, the cost of all initial training instruction and required materials shall be borne by Franchisor. All other expenses incurred in connection with training and, if required, attendance at Franchisor's conventions and conferences, including the costs of transportation, lodging, meals, wages, workers' compensation insurance and trainees' meals during training sessions, for Franchisee, its investors, and all of its employees, shall be borne by Franchisee.

5.4.2 Operating Principal and General Manager. If the Operating Principal or the General Manager cease active management of or employment at the Franchised Business, Franchisee shall enroll a qualified replacement (who shall be reasonably acceptable to Franchisor) in Franchisor's initial training program not more than thirty (30) days after the cessation of the former person's full-time employment and/or management responsibilities. The replacement shall attend and successfully complete

the initial training program, to Franchisor's reasonable satisfaction, as soon as it is practical to do so. Franchisee shall pay Franchisor's then-current training fees and per diem expenses for such training.

5.4.3 Ongoing Training. The Franchisee's Principal Trainees may also be required to attend such ongoing, additional, or refresher courses, seminars, and other training programs as Franchisor may reasonably specify from time to time. Franchisee must pay Franchisor's then-current per diem fee for such training as set forth in the Manual or otherwise in writing. Franchisee will be solely responsible for any costs and expenses of its personnel to attend or participate in any such ongoing, additional, or refresher courses, seminars, and other training programs, including transportation, meals, and lodging.

5.4.4 Annual Convention and Conferences. Franchisor may hold periodic national or regional conferences to discuss various business issues and operational and general business concerns affecting the System. If Franchisor elects to hold an annual convention, Franchisee's Operating Principal and/or General Manager must attend, and with Franchisor's prior permission up to three (3) other employees of Franchisee may attend, Franchisor's annual convention at Franchisee's sole expense. Attendance at other conferences by Franchisee and Franchisee's Principal Trainees may be mandatory or optional at Franchisor's option. Franchisee will be solely responsible for Franchisee's and any approved-attendees' costs and expenses to attend any convention or conference, including transportation, meals, and lodging. In addition, Franchisor reserves the right to charge a registration fee for attendance at each convention or conference. If attendance at convention or conference is mandatory, Franchisee must pay Franchisor's then-current registration fee, whether or not Franchisee or its Operating Principal, General Manager, or other its personnel personally attend the convention or conference.

5.4.5 Additional Assistance or Training. Upon Franchisee's request, Franchisor, at its option, may provide additional assistance or training to Franchisee at a mutually convenient time, in the manner and format that Franchisor deems appropriate, and Franchisee must pay Franchisor's then-current per diem fee as set forth in the Manual or otherwise in writing, and Franchisee must reimburse Franchisor for its out-of-pocket expenses.

5.5 Franchised Business Premises. Franchisee shall use the Franchised Business premises solely for the operation of the Franchised Business; shall keep the Franchised Business open and in normal operation for such hours and days as Franchisor may from time to time specify in the Manuals or as Franchisor may otherwise approve in writing; and shall refrain from using or permitting the use of the Franchised Business premises for any other purpose or activity at any time. As used in this Section 5.5, the term "premises" shall include the grounds surrounding the Franchised Business. Franchisee shall comply with all terms and conditions of the lease for the Franchised Business and shall provide Franchisor with copies of all notices of default or breach of the lease, notices regarding the renewal or extension of the lease, and all other notices or correspondence related to Franchisee compliance with the lease and Franchisee's right to remain in possession of the premises not later than two (2) days after receipt thereof by Franchisee.

5.6 Personnel. Franchisee agrees to maintain a competent, conscientious, trained staff in numbers sufficient to promptly service members and customers, including at least one (1) General Manager on duty at all times and to take such steps as are necessary to ensure that its employees preserve good customer relations and comply with such dress code as Franchisor may prescribe. Franchisee shall comply with all applicable employment, personnel, and wage and hour laws and regulations. Franchisee is solely responsible for all employment and personnel decisions and functions of the Franchised Business, including those related to hiring, firing, training, compliance with wage and hour requirements, personnel policies, scheduling, benefits, recordkeeping, supervision, and discipline of employees, regardless of whether Franchisee receives advice from Franchisor on these subjects. Franchisee acknowledges and agrees that all employment and personnel decisions, including hiring, firing, disciplining, compensation, benefits, and scheduling, shall be made by Franchisee, without any influence from Franchisor, and such decisions and

actions shall not be, nor be deemed to be, a decision or action of Franchisor. Further, it is the intention of the parties to this Agreement that Franchisor shall not be deemed an employer or joint employer of Franchisee or Franchisee's employees for any reason. Franchisee is solely responsible for ensuring its managers and employees are adequately trained and supervised.

5.7 Health, Sanitation, and Safety Standards. Franchisee shall meet and maintain the highest health, sanitation, and safety standards and ratings applicable to the operation of the Franchised Business. Franchisee shall furnish to Franchisor, within five (5) days after receipt thereof, a copy of all inspection reports, warnings, citations, certificates, and/or ratings resulting from inspections conducted by any federal, state, or municipal agency with jurisdiction over the Franchised Business. Without limiting the foregoing, Franchisee and all required personnel shall obtain and maintain all necessary and required licenses and certificates for food service and food handling as may be required by applicable local rules and regulations and/or the Manual.

5.8 Franchised Business Maintenance. Franchisee shall at all times maintain the Franchised Business in a high degree of sanitation, repair, and condition, and in connection therewith shall make such additions, alterations, repairs, and replacements thereto (but no others without Franchisor's prior written consent) as may be required for that purpose, including such periodic repainting or replacement of obsolete signs, furnishings, equipment, and décor as Franchisor may reasonably direct.

5.9 Remodeling. Without limiting Section 5.10 below, Franchisor shall have the right (the "Remodel Right") to require Franchisee to perform such remodeling, repairs, replacements, and redecoration in and upon the premises and equipment as Franchisor may deem necessary and practical to bring the premises and equipment up to the then-current operational standards and image of Franchisor. Franchisor may exercise its Remodel Right upon (a) the expiration of every 5-year period following the opening of the Franchised Business for business with the public. The expenditure required to remodel the Franchised Business will not exceed One Hundred Twenty-Five Thousand Dollars ($125,000) indexed pursuant to the Consumer Price Index (CPI); (b) the sale, assignment, transfer, or encumbrance (collectively, the "Transfer") of any of the rights created by this Agreement, any part of the System, or any other interest created under this Agreement, including if Franchisee is a legal entity, the sale, resale, pledge, assignment, transfer or encumbrance of any ownership interest in Franchisee that, alone or together with any other related, previous, simultaneous or proposed transfers, would result in a change in "control" of Franchisee within the meaning of the Securities Act of 1933, as amended, and the rules and regulations promulgated under that act; or (c) the issuance of a renewal or successor franchise agreement. If Franchisor chooses to exercise its Remodel Right upon the occurrence of a Transfer, then, after the Transfer, Franchisor may exercise its Remodel Right upon the occurrence of any of the following events: (a) the expiration of every 5-year period following the Transfer; (b) a subsequent Transfer; or (c) the issuance of a renewal or successor franchise agreement. Franchisor reserves the right to designate the type and scheduling of the refurbishing, remodeling and/or renovation referred to above. If Franchisee at any time deems it necessary and practical to replace any equipment or repair or remodel the premises or take any similar action, Franchisee shall perform the replacement, repairs or remodeling in accordance with Franchisor's then-current standards and specifications. The obligations imposed under this Section 5.9 supplement any obligation to maintain, restore or repair the premises imposed under any lease or sublease with respect to the Franchised Business.

5.10 Equipment Upgrades. In addition to the Remodel Right, Franchisee shall make, from time to time, such upgrades, replacements, or other changes to the electronic equipment utilized in the Franchised Business and the Computer System as Franchisor may request in writing (and as also specified above) (collectively, "Equipment Upgrades"). Franchisor shall have the right to require any Equipment Upgrades it deems necessary for Franchisee's Franchised Business.

5.11 Standards and Specifications. To ensure that the highest degree of quality and service is maintained, Franchisee shall operate the Franchised Business in strict conformity with such methods, standards, and specifications as Franchisor may from time to time prescribe in the Manuals or otherwise in writing. Franchisee agrees:

5.11.1 To maintain in sufficient supply, and to use and/or sell at all times only such products, materials, supplies, and merchandise as conform to Franchisor's written standards and specifications, and to refrain from deviating therefrom by the use or offer of any non-conforming items without Franchisor's specific prior written consent.

5.11.2 To sell or offer for sale only such products and services as have been expressly approved for sale in writing by Franchisor; to sell or offer for sale all such products and services as specified by Franchisor; to refrain from any deviation from Franchisor's standards and specifications, including the manner of preparation of products and services, without Franchisor's prior written consent; and to discontinue selling and offering for sale any products and services, which Franchisor shall have the right to disapprove, in writing, at any time.

5.11.3 To permit Franchisor or its agents, at any reasonable time, to remove samples of products and merchandise, and to observe and receive the delivery of services, without payment therefor, in amounts reasonably necessary for testing by Franchisor or an independent laboratory to determine whether said samples and services meet Franchisor's then-current standards and specifications. In addition to any other remedies it may have under this Agreement, Franchisor may require Franchisee to bear the cost of such testing if the supplier of the item has not previously been approved by Franchisor or if the sample or service fails to conform to Franchisor's specifications.

5.11.4 To purchase and install, at Franchisee's expense, all fixtures, kitchen display systems, furnishings, equipment (including the Computer System), décor, and signs as Franchisor shall specify; and to refrain from installing or permitting to be installed on or about the Franchised Business premises, without Franchisor's prior written consent, any fixtures, furnishings, equipment, decor, signs, or other items not previously approved as meeting Franchisor's standards and specifications.

5.11.5 To refrain from installing or permitting to be installed any vending machine, game or coin operated device, unless specifically approved in writing, in advance, by Franchisor.

5.11.6 To fully and faithfully comply with all applicable governing authorities, laws, and regulations. Franchisee shall immediately close the Franchised Business and terminate operations in the event that: (i) any products sold at the Franchised Business evidence adulteration or deviation from the standards set for products by Franchisor; (ii) any products sold at the Franchised Business fail to comply with applicable laws or regulations; or (iii) Franchisee fails to maintain the products, Franchised Business premises, equipment, personnel, or operation of the Franchised Business in accordance with any applicable law or regulations. In the event of such closing, Franchisee shall immediately notify Franchisor in writing and Franchisee shall destroy or preserve for inspection and/analysis immediately in accordance with procedures set forth in the Manual, or otherwise in writing by Franchisor, all products which it knows, or should know through the exercise of reasonable care, to be adulterated, tainted, contaminated, spoiled, unsafe, or otherwise unfit for human consumption and eliminate the source thereof, and remedy any unsanitary, unsafe, or other condition or other violation of the applicable law or regulation. Franchisee shall not reopen the Franchised Business until after Franchisor has inspected the Franchised Business premises, and Franchisor has determined that Franchisee has corrected the condition and that all products sold at the Franchised Business comply with Franchisor's standards.

5.12 Supplies and Suppliers. Franchisee shall purchase, lease, or license and install and/or otherwise use at the Franchised Business all equipment (including the Computer System, and physical, electronic, and other security systems), supplies, ingredients, products, fixtures, furnishings, décor, signs, goods, and services (including payment processing services) that are designated or prescribed in the Manuals ("goods" and "services"). Such purchase may include the purchase of software licenses and the entry into software license agreements. Franchisee shall purchase, lease, or license such goods and services solely from suppliers that Franchisor has approved in writing, which may be Franchisor or its affiliate. In determining whether it will approve any particular good or service or supplier, Franchisor shall consider various factors, including, for goods and services, those that meet Franchisor's then-current standards and specifications, and have not thereafter been disapproved, and for suppliers, suppliers who can demonstrate, to Franchisor's continuing reasonable satisfaction, the ability to meet Franchisor's then-current standards and specifications for such items; who possesses adequate quality controls and capacity to supply Franchisee's needs promptly and reliably; who would enable the network of TruGolf Links Centers, in Franchisor's sole opinion, to take advantage of marketplace efficiencies; and who have been approved in writing by Franchisor prior to any purchases by Franchisee from any such supplier, and have not thereafter been disapproved. For the purpose of this Agreement, the term "supplier" shall include, but not be limited to, manufacturers, distributors, resellers, and other vendors. Franchisor shall have the right to appoint only one manufacturer, distributor, reseller, and/or other vendor for any particular good or service, and Franchisor may designate itself or its affiliate as the only, or one of a limited number of, suppliers for any goods or services. Franchisor or its affiliate(s) may earn a profit from the sale of any goods or services.

5.12.1 If Franchisee wishes to purchase any unapproved goods or services, or any goods or services from an unapproved supplier, Franchisee shall first submit to Franchisor a written request for such approval. Franchisee shall not purchase any unapproved goods or services or any goods or services from any unapproved supplier unless and until such goods or services or such supplier has been approved in writing by Franchisor. Franchisor shall have the right to require that its representatives be permitted to inspect the unapproved goods or services, or in the case of an unapproved supplier, the supplier's facilities, and that samples of the goods be delivered, either to Franchisor or to an independent laboratory designated by Franchisor for testing. A charge not to exceed the reasonable cost of the inspection and the actual cost of the test shall be paid by the supplier. For approval of unapproved suppliers, Franchisor may also require that the supplier comply with such other requirements as Franchisor may deem appropriate, including payment of reasonable continuing inspection fees and administrative costs, or other payment to Franchisor by the supplier on account of their dealings with Franchisee or other franchisees, for use, without restriction (unless otherwise instructed by the supplier) and for services that Franchisor may render to such suppliers. Franchisor reserves the right, at its option, to reinspect from time to time the facilities and goods or services of any approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's then-current criteria or failure to cooperate in Franchisor's periodic re-approval process.

5.12.2 Nothing in the foregoing shall be construed to require Franchisor to approve any particular goods or supply or supplier, nor to require Franchisor to make available to prospective suppliers, standards, and specifications, which Franchisor shall have the right to deem confidential.

5.12.3 Notwithstanding anything to the contrary contained in this Agreement, Franchisee acknowledges and agrees that, at Franchisor's sole option, Franchisor may establish one or more strategic alliances or preferred vendor programs with one or more nationally or regionally-known suppliers who are willing to supply all or some TruGolf Links Centers with some or all of the goods and services that Franchisor requires for use and/or sale in the development and/or operation of TruGolf Links Centers. In this event, Franchisor may limit the number of approved suppliers with whom Franchisee may deal, designate sources that Franchisee must use for some or all goods and services, and/or refuse any of Franchisee's requests if Franchisor believes that this action is in the best interests of the System or the

network of TruGolf Links Centers. Franchisor shall have the sole option to approve or disapprove of the suppliers who may be permitted to sell goods and services to Franchisee.

5.12.4 Franchisee acknowledges and agrees that Franchisor shall have the right to collect and retain all manufacturing allowances, distribution allowances, marketing allowances, rebates, credits, monies, payments or benefits (collectively, "Allowances") offered by suppliers to Franchisee or to Franchisor or its affiliates based upon Franchisee's purchases of goods and services. These Allowances are based on network-wide purchases of goods and services. Franchisee assigns to Franchisor or its designee all of Franchisee's right, title, and interest in and to any and all such Allowances and authorizes Franchisor or its designee to collect and retain any or all such Allowances without restriction (unless otherwise instructed by the supplier); provided, however, that Franchisor's current policy is to utilize such funds for purposes that Franchisor believes, in its sole determination, may enhance the "TruGolf Links" brand and/or public awareness of the brand.

5.12.5 Franchisee shall comply with all terms, conditions, and obligations of all contracts and arrangements with suppliers, including contracts and arrangements negotiated by Franchisor or third parties as part of a network or multiple-franchise or multiple-TruGolf Links Center supply and distribution arrangement, and Franchisee's contracts with and obligations to suppliers. Franchisee shall promptly pay all suppliers in accordance with the agreed-upon terms. In the event Franchisee fails to promptly pay one or more suppliers as required, Franchisor may, but is not required to, pay such supplier(s) on behalf of Franchisee, and Franchisee shall promptly reimburse Franchisor for such payment following notice from Franchisor, or Franchisor may obtain payment through the EFT process described in Section 3 above and the Manuals.

5.13 Inspections. Franchisee grants Franchisor and its designees and agents the right to enter upon the Franchised Business premises at any time for the purpose of conducting inspections, for among other purposes, preserving validity of the Proprietary Marks, and verifying Franchisee's compliance with this Agreement and the policies and procedures outlined in the Manuals. Franchisor shall also have the right to take and maintain photographs and videos, in any medium, of the Franchised Business and the operations at the Franchised Business. Franchisee shall cooperate with Franchisor's representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from Franchisor or its designees or agents, and without limiting Franchisor's other rights under this Agreement, Franchisee shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. Franchisee shall reimburse Franchisor for all of Franchisor's costs and expenses, including labor and travel expenses, incurred in conducting all such follow-up inspections after the first follow-up inspection. Franchisee shall make such payments within fifteen (15) days of receipt of an invoice from Franchisor, or Franchisor may elect to obtain payment through the EFT provisions of Section 3.5.

5.14 Technology and Computer System. At Franchisor's request, Franchisee must purchase, lease, license, and/or subscribe to solely from suppliers that Franchisor has approved in writing, which may be Franchisor or its affiliate, and thereafter maintain, the Computer System, and comply with Franchisor's requirements, specifications, and policies concerning the use of technology, as they may be specified in this Agreement, or specified or modified in the Manuals or otherwise in writing. Such purchase may include the purchase of software licenses and the entry into such software license agreements as Franchisor may prescribe. Franchisee must pay the then-current Technology Fee in connection with any aspects of the Computer System or related technology systems, services, platforms, and software that Franchisor requires Franchisee to obtain from or access through Franchisor.

5.14.1 Franchisor shall have the right at any time to retrieve and use such data and information from Franchisee's Computer System that Franchisor deems necessary or desirable. In view of the contemplated interconnection of computer systems and the necessity that such systems be compatible

with each other, Franchisee expressly agrees that it shall strictly comply with Franchisor's standards and specifications for all item(s) associated with Franchisee's Computer System and will otherwise operate its Computer System in accordance with Franchisor's standards and specifications. To ensure full operational efficiency and optimum communication capability between and among equipment and computer systems installed by Franchisee, Franchisor, and other franchisees, Franchisee agrees, at its expense, that Franchisee shall keep its Computer System in good maintenance and repair, and, at its expense, and following the determination that Franchisor shall have the right to make, to the effect that same will prove economically or otherwise beneficial to all System franchisees, that Franchisee shall promptly install such additions, changes, modifications, substitutions, and/or replacement to Franchisee's computer hardware, software, telephone and power lines, and other related facilities, as Franchisor directs periodically in writing. Franchisee shall provide to Franchisor, upon Franchisor's request, all e-mail lists and member and customer lists used or maintained by Franchisee on the Computer System or elsewhere.

5.14.2 Franchisor has the right, but not the obligation, to develop or have developed for it, or to designate, any or all of the following: (a) computer software programs and accounting system software that Franchisee must use in connection with the Computer System ("Required Software"), which Franchisee must install; (b) updates, supplements, modifications, or enhancements to the Required Software, which Franchisee must install; (c) the tangible media upon which such Franchisee must record or receive data; (d) the database file structure of Franchisee's Computer System; and (e) an Extranet for informational assistance, which may include the Manuals, training other assistance materials, and management reporting solutions.

5.14.3 Franchisee agrees to install and use the Computer System and Required Software in the manner that Franchisor requires and to use only the Computer System and Required Software that Franchisor designates.

5.14.4 Franchisee agrees to implement and periodically upgrade and make other changes to the Computer System and Required Software as Franchisor may reasonably request in writing (collectively, "Computer Upgrades"), at Franchisee's own expense.

5.14.5 Franchisee agrees to comply with Franchisor's written specifications (whether in the Manuals or otherwise) with respect to the Computer System and the Required Software, and with respect to Computer Upgrades, at Franchisee's own expense.

5.14.6 Franchisee agrees to afford Franchisor unimpeded access to its Computer System and Required Software in the manner, form, and at the times that Franchisor requests.

5.14.7 Because changes to technology are dynamic and not predictable during the term of this Agreement, and in order to provide for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees: (a) that Franchisor has the right to establish, in writing, reasonable new standards to address new technologies, whether published in the Manuals or otherwise in writing, and that Franchisor has the right to implement those changes in technology into the System; and (b) to abide by Franchisor's reasonable new standards as if this Section 5.14, and other technology provisions in this Agreement, were periodically revised for that purpose.

5.15 Customer Data. Franchisee may collect information from members and customers, and potential members and customers, in connection with the operation of the Franchised Business, including personally identifiable names and addresses, payment information, health histories, and other information ("Customer Data"). All data provided by Franchisee in any form, and whether required by this Section 5.15 or any other requirement under the System or in the Manuals, including data uploaded to Franchisee's Computer System, and/or downloaded from Franchisee's Computer System to Franchisor's computer

system, is and will be owned exclusively by Franchisor, including without limitation, Customer Data, member and/or customer lists, and e-mail lists, and Franchisor will have the right to use such data in any manner that Franchisor deems appropriate without compensation to Franchisee. In addition, all other data created or collected by Franchisee in connection with the System, or in connection with Franchisee's operation of the Franchised Business (including but not limited to consumer and transaction data), is and will be owned exclusively by Franchisor during the term of, and following termination or expiration of, this Agreement. Copies and/or originals of such data must be provided to Franchisor upon its request. Franchisor hereby licenses use of such data back to Franchisee, at no additional cost, solely for the term of this Agreement and solely for Franchisee's use in connection with the Franchised Business. Franchisee shall not sell, share, or otherwise disseminate such data without Franchisor's prior written consent. Franchisor may use all such information, data, and reports in any manner, including, without limitation, providing financial and operating reports to franchisees and operators operating under the System, preparing franchise disclosure documents, and providing information to prospective franchisees, and/or in complying with government regulations. Franchisee must secure from its vendors, members, customers, prospective members or customers, and others all consents and authorizations, and provide them all disclosures, that applicable law (including any Applicable Data Protection Laws) requires to transmit the Customer Data to Franchisor and its affiliates and for Franchisor and its affiliates to use that Customer Data in the manner that this Agreement contemplates.

5.16 Data Protection Obligations. For purposes of this Section 5.16, "**Personal Information**" means information that identifies, relates to, or could reasonably be linked to individuals, including but not limited to, Franchisee's customers, employees, independent contractors, and business contacts, and/or otherwise including particular elements of "personal information" as defined under Cal. Civ. Code § 1798.140.

5.16.1 Franchisee acknowledges and agrees that it will collect, process, and otherwise use Personal Information, and transfer Personal Information to Franchisor, in compliance with all applicable laws, rules, and regulations applicable to privacy and security of Personal Information, including, but not limited to, the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act ("Applicable Data Protection Laws"). Franchisee agrees to hold Franchisor and its affiliates harmless of any liability and losses and expenses incurred, suffered or sustained by Franchisor and its affiliates, shareholders, officers, directors, employees and agents, as a result of Franchisee's non-compliance with Applicable Data Protection Laws.

5.16.2 Franchisee agrees to comply with Franchisor's standards and policies pertaining to Applicable Data Protection Laws. If there is a conflict between Franchisor's standards and policies pertaining to Applicable Data Protection Laws and actual applicable law, Franchisee shall: (i) comply with the requirements of applicable law; (ii) immediately give Franchisor written notice of said conflict; and (iii) promptly and fully cooperate with Franchisor and its counsel in determining the most effective way, if possible, to meet its standards and policies pertaining to Applicable Data Protection Laws within the bounds of applicable law. Franchisee agrees not to publish, disseminate, implement, revise, or rescind a data privacy policy without Franchisor's prior written consent as to said policy.

5.16.3 With regard to Personal Information that Franchisee may collect, receive, or otherwise process as a result of any agreements between Franchisee and Franchisor (or its subsidiaries or affiliates), including this Agreement, Franchisee agrees and certifies that it will:

5.16.3.1 Process Personal Information only for the limited and specified purposes of providing services requested by Franchisor.

5.16.3.2 Assist Franchisor with the resolution of any request or inquiries that Franchisor receives from individuals and/or data protection regulators relating to Franchisee's processing of Personal Information and, if and to the extent requested by Franchisor, cooperate with any regulators' requests.

5.16.3.3 Implement and maintain reasonable and appropriate physical, technical, and administrative safeguards, procedures, and practices to protect and maintain the confidentiality, security, accuracy, integrity, availability, and authenticity of Personal Information.

5.16.3.4 Notify Franchisor, and provide Franchisor with the ability to object, before transmitting Personal Information to a service provider, sub-processor, subcontractor, or other vendor.

5.16.3.5 Require any service provider, sub-processor, subcontractor, or other vendor that receives Personal Information to agree to provisions similar to those found within this Section 5.16.

5.16.3.6 Notify Franchisor if it believes that it can no longer meet the obligations of this Section 5.16.

5.16.3.7 Allow and contribute to reasonable audits by Franchisor, including inspections by the Franchisor or its auditor, to verify Franchisee's compliance with data processing and security obligations and Applicable Data Protection Laws.

5.16.4 For purposes of this Section 5.16, "Security Incident" means any actual or reasonably suspected unauthorized disclosure, release, access, or acquisition of Personal Information. In the event of any Security Incident, Franchisee shall notify Franchisor immediately but no later than forty-eight (48) hours after Franchisee or any of its vendors become aware of a Security Incident. Such notifications shall include, at a minimum, the following information to the extent known by Franchisee and as it becomes available: (i) detailed description of the Security Incident, (ii) the date or estimated date of the Security Incident, (iii) the date range of the Security Incident within which the Security Incident occurred, (iv) the type of Personal Information that was the subject of the Security Incident, whether the notification was delayed as a result of a law enforcement investigation, and (v) the identity of each impacted individual. Franchisee shall take immediate action to investigate the Security Incident and shall use industry standard, reasonable efforts to mitigate the effects of any such Security Incident. Franchisee shall also provide Franchisor with reasonable assistance to satisfy any legal obligations (including obligations to notify impacted individuals and any data protection regulator) of Franchisor in relation to such Security Incident.

5.16.5 To the extent Franchisee's activities require a restricted transfer (as such term is defined under Applicable Data Protection Laws) of Personal Information to Franchisor, such restricted transfer shall be undertaken pursuant to a legal mechanism for transfer as approved under Applicable Data Protection Laws (which legal mechanism may include, without limitation, the entry into standard contract clauses for restricted transfers).

5.16.6 Franchisee further agrees and certifies that it will not:

5.16.6.1 Sell, rent, release, disclose, disseminate, make available, transfer, or otherwise communicate orally, in writing, or by electronic or other means, Personal Information to another business or a third party for monetary or other valuable consideration.

5.16.6.2 Retain, use, disclose, collect, sell, or otherwise process Personal Information for any purpose other than for the specific purpose of, and as necessary for, performing services for Franchisor pursuant to a written agreement(s). For clarity, Franchisee may not retain, use, or disclose the Personal Information for any other commercial purposes or outside of the direct business relationship between Franchisee and Franchisor.

5.16.6.3 Combine the Personal Information that it receives from Franchisor with the Personal Information that it receives from another company or business (or that it collects from its own interaction with individuals), except if expressly permitted to do so by Franchisor or required to do so by law.

5.16.6.4 Share, rent, release, disclose, disseminate, make available, transfer, or otherwise communicate orally, in writing, or by electronic or other means, Personal Information for the purpose of cross-context behavioral advertising.

5.16.7 This Section 5.16 will survive expiration or termination of this Agreement and any other agreement(s) that may exist between Franchisee and Franchisor (or its subsidiaries or affiliates). Existing terms in such agreement(s) remain in effect except that this Section 5.16 controls in the event of a conflict with such terms. In the event of a breach of this Section 5.16, Franchisor may take reasonable and appropriate steps to stop and remediate the unauthorized use by Franchisee of Personal Information. Franchisee will make available to Franchisor all information requested by Franchisor to demonstrate Franchisee's compliance with the obligations set out in this Section 5.16.

5.17 Website and Internet Advertising. Franchisor shall have the right to establish and maintain an Internet website that provides information about the System, brand, and the products and services that TruGolf Links Centers offer. Franchisor will have sole control over the website's design and contents and may modify the content of and/or discontinue the website at any time. Franchisor may use part of the Brand Development Fund Contributions it collects and part of the Brand Development Fund's revenues to pay or reimburse itself for the costs of maintaining and updating the website, except that Franchisor may not use Brand Development Fund Contributions to pay for those components of the website that are devoted to the sale of franchises for new TruGolf Links Centers. The website may include a section that provides the address, telephone number, and e-mail address of each TruGolf Links Center in the System, including the Franchised Business; provided, the Franchised Business may be referenced on the website only while Franchisee is in full compliance with this Agreement. In addition, Franchisor's approved supplier may establish an individual webpage identifying the Franchised Business's location and services. Franchisor must approve all content on the individual webpage. Franchisor will own the website (including any webpages for the Franchised Business) and domain name at all times. Franchisee will not have any independent right to advertise the Franchised Business on the Internet or in any form of social media, without Franchisor's prior written consent. If Franchisee desires to advertise online, Franchisee must follow Franchisor's online policy, which is contained in the Manuals. Franchisee will not be permitted to operate a separate website or social media page (including without limitation Facebook, Instagram, Snapchat, or TikTok) without Franchisor's prior written approval and without sharing the administrative rights with Franchisor. Franchisee must provide administrator passwords and privileges to Franchisor, and shall not change or update either the administrator or password without first notifying Franchisor in writing. The term "website" as used in this Agreement means one or more related documents, designs, pages, or other communications that can be accessed through electronic means, including the Internet, World Wide Web, social networking sites (including Facebook, X (formerly known as Twitter), LinkedIn, Instagram, YouTube, etc.), blogs, vlogs, and other applications, etc.

5.18 POS or Cash Register Systems. Franchisee agrees to record all sales on computer-based point-of-sale systems or such other types of cash register systems that Franchisor has the right to designate

or approve in the Manual or otherwise in writing ("POS System"). The POS System is deemed to be part of Franchisee's Computer System. Franchisee must utilize computer-based point-of-sale devices that are fully compatible with any program or system that Franchisor has the right to designate, and Franchisee must record all Gross Sales and all revenue information on such equipment.

5.19 Gift Cards/Stored Value Cards. Franchisor shall have the right to require Franchisee to participate in such gift card/stored value card program(s) that Franchisor specifies. For this purpose, Franchisee must purchase the software, hardware, blank cards, and other items needed to sell and process gift cards or stored value cards, which Franchisor may specify in the Manuals or otherwise in writing. Franchisee also agrees to pay such monthly and per-swipe transaction fees as may be required by the vendor of the gift card system. Franchisee must sell or honor gift/stored value cards only in accordance with Franchisor's written standards. Franchisee must account for all gift/stored value card sales, gift/stored value card redemptions, and other gift/stored value card transactions in the manner Franchisor specifies in the Manuals. Franchisee must maintain sufficient cash reserves to pay Franchisor or other franchisees as part of any network-wide periodic reconciliation of the gift/stored value card program(s). Franchisee shall pay Franchisor or make payments as specified by Franchisor, in such amounts and at such times as directed by Franchisor, in accordance with Franchisor's gift/stored value card rules, programs, and policies. Franchisee agrees not to sell, issue, or redeem gift certificates other than gift/stored value cards that Franchisor has approved in writing.

5.20 E-Mail, Internet, and Other Media. Franchisee must comply with Franchisor's requirements and policies (as described in the Manuals or otherwise in writing) with respect to the transmission of all e-mails and other electronic communications in connection with the Franchised Business, and in connection with discussing, advertising, or disseminating any information, or otherwise having a presence, on the Internet, or in any other media, regarding the Franchised Business. Such activities include participation in any Internet "blogs" or social networking sites. Any such activities which are not expressly permitted in the Manuals or otherwise in writing, or for which Franchisee has not previously received approval from Franchisor, shall be subject to Franchisor's approval as described in Section 6 below.

5.20.1 Franchisee agrees that exchanging information with Franchisor by e-mail is an important way to enable quick, effective, and efficient communication, and that Franchisor and Franchisee are entitled to rely upon each other's use of e-mail for communicating as part of the economic bargain underlying this Agreement. To facilitate the use of e-mail to exchange information, Franchisee authorizes the transmission of e-mail by Franchisor and Franchisor's employees, vendors, and affiliates (on matters pertaining to the business contemplated hereunder) (together, "Official Senders") to Franchisee and Franchisee's employees during the term of this Agreement. Franchisor's list of Official Senders shall be the master and official list of Official Senders.

5.20.2 Franchisee shall not transmit or cause any other party to transmit advertisements or solicitations by telephone, text, e-mail, or other electronic media without Franchisor's prior written consent as to: (a) the content of such advertisements or solicitations; and (b) Franchisee's plan for transmitting such advertisements or solicitations. Franchisor's review of Franchisee's advertisements or solicitations, or of Franchisee's plan for transmitting such advertisements or solicitations, is only for Franchisor's benefit and Franchisor's review will pertain to whether the proposed advertisements or solicitations comply with Franchisor's specifications. Franchisee agrees that it will be solely responsible for complying with any laws pertaining to sending such advertisements and solicitations, including the Controlling the Assault of Non-Solicited Pornography and Proprietary Marketing Act of 2003 (known as the "CAN-SPAM Act of 2003") and the Telephone Consumer Protection Act of 1991.

5.20.3 Franchisee agrees that: (a) Official Senders are authorized to send e-mails, other electronic messages, and faxes to Franchisee and its employees; (b) Franchisee will cause its officers, directors, and employees (as a condition of their employment or position with Franchisee) to give their consent (in an e-mail, electronically, or in a pen-and-paper writing, as Franchisor may reasonably require) to Official Senders' transmission of e-mails, other electronic messages, and faxes to those persons, and that such persons shall not opt-out, or otherwise ask to no longer receive e-mails, other electronic messages, and/or faxes, from Official Senders during the time that such person works for or is affiliated with Franchisee; and (c) Franchisee will not opt-out, or otherwise ask to no longer receive e-mails, other electronic messages, and/or faxes, from Official Senders during the term of this Agreement.

5.20.4 The consent given above in this Section 5.20 will not apply to the provision of formal notices under this Agreement by either party using e-mail unless and until the parties have otherwise agreed, in a pen-and-paper writing that both parties have signed.

5.21 Credit Cards and Other Methods of Payment. At all times, Franchisee must maintain credit-card relationships with the credit- and debit-card issuers or sponsors, check, or credit verification services, financial-center services, and electronic-funds-transfer systems that Franchisor designates as mandatory, and Franchisee must not use any such services or providers that Franchisor has not approved in writing or for which Franchisor has revoked its approval. Franchisor has the right to modify its requirements and designate additional approved or required methods of payment and vendors for processing such payments, and to revoke its approval of any service provider. Franchisee must comply with all credit-card policies as prescribed in the Manuals. Franchisee must comply with the Payment Card Industry Data Security Standards ("PCI DSS") as they may be revised and modified by the Payment Card Industry Security Standards Council (see www.pcisecuritystandards.org), or such successor or replacement organization and/or in accordance with other standards as Franchisor may specify, and the Fair and Accurate Credit Transactions Act ("FACTA"). Franchisee shall also upgrade periodically its POS System and related software, at Franchisee's expense, to maintain compliance with PCI DSS, FACTA, and all related laws and regulations.

5.22 Uniforms. To promote a uniform System image, Franchisee shall require all of its Franchised Business personnel to dress during business hours in the attire specified in the Manuals. Franchisee shall purchase such attire only from approved suppliers.

5.23 Incentive Programs. Franchisee shall offer for sale, and will honor for purchases by members or customers, or otherwise fully participate in, any incentive, convenience, or member or customer loyalty programs that Franchisor may institute from time to time, and Franchisee shall do so in compliance with Franchisor's standards and procedures for such programs.

5.24 Prices. With respect to the sale of all TruGolf Links Services and Products, products, or services, Franchisee shall have sole discretion as to the prices to be charged to members and customers; provided, however, that Franchisor may establish, advertise, and promote minimum or maximum prices on such TruGolf Links Services and Products, products, and services, subject to compliance with applicable laws. If Franchisor has imposed such a minimum or maximum price on a particular TruGolf Links Services and Products, product, or service, and subject to applicable law, Franchisee may not charge a price for such TruGolf Links Services and Products, product, or service below the minimum price or in excess of the maximum price set by Franchisor.

5.25 Compliance With Laws and Good Business Practices. Franchisee shall operate the Franchised Business in full compliance, subject to its right to contest, with all applicable laws, ordinances, and regulations, including all government regulations relating to operation of an athletic facility or similar business, handling of food products, occupational hazards and health, workers' compensation insurance,

unemployment insurance and withholding and payment of federal and state income taxes, social security taxes, and sales taxes. All advertising and promotion by Franchisee shall be factually accurate and conform to the highest standards of ethical advertising. Franchisee shall in all dealings with its members, customers, suppliers, and the public adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct, and shall comply with all consumer protection and unfair competition laws and regulations. Franchisee shall refrain from any business or advertising practice which may be injurious to the business of Franchisor, the System, and/or the goodwill associated with the Proprietary Marks, brand, and other Franchised Businesses.

5.26 Franchisee Structure; Operating Principal and Owners.

5.26.1 Except as otherwise approved in writing by Franchisor, if Franchisee is a corporation, it shall: (i) be newly organized, and confine its activities, and its governing documents shall at all times provide that its activities are confined, exclusively to operating the Franchised Business; (ii) furnish Franchisor with a copy of its articles or certificates of incorporation and bylaws, as well as such other documents as Franchisor may reasonably request, and any amendment thereto; (iii) maintain stop transfer instructions on its records against the transfer of any equity securities and shall only issue securities upon the face of which a legend, in a form satisfactory to Franchisor, appears which references the transfer restrictions imposed by this Agreement; (iv) not issue any voting securities or securities convertible into voting securities; and (v) maintain a current list of all owners of record and all beneficial owners of any class of voting stock of Franchisee and furnish the list to Franchisor upon request, which list shall be amended to reflect changes in ownership, as permitted under this Agreement.

5.26.2 If Franchisee is a partnership or limited liability partnership it shall: (i) be newly organized, and confine its activities, and its governing documents shall at all times provide that its activities are confined, exclusively to operating the Franchised Business; (ii) furnish Franchisor with its partnership agreement as well as such other documents as Franchisor may reasonably request, and any amendments thereto; (iii) prepare and furnish to Franchisor, upon request, a current list of all general and limited partners in Franchisee, which list shall be amended to reflect changes in ownership, as permitted under this Agreement; and (iv) maintain stop transfer instructions on its records and in its partnership agreement against the transfer of partnership interests and equity securities, and shall only issue securities or partnership interests with documentation which bears a notice or legend, in a form satisfactory to Franchisor, which references the transfer restrictions imposed by this Agreement.

5.26.3 If a Franchisee is a limited liability company, Franchisee shall: (i) be newly organized, and confine its activities, and its governing documents shall at all times provide that its activities are confined, exclusively to operating the Franchised Business; (ii) furnish Franchisor with a copy of its articles of organization and operating agreement, as well as such other documents as Franchisor may reasonably request, and any amendments thereto; (iii) prepare and furnish to Franchisor, upon request, a current list of all members and managers in Franchisee, which list shall be amended to reflect changes in ownership, as permitted under this Agreement; and (iv) maintain stop transfer instructions on its records against the transfer of equity securities and shall only issue securities upon the face of which bear a legend, in a form satisfactory to Franchisor, which references the transfer restrictions imposed by this Agreement.

5.26.4 Franchisee shall designate, subject to the review and approval or disapproval by Franchisor, individuals to serve in the following positions:

5.26.4.1 Operating Principal. An Operating Principal shall participate personally in the direct operation of the Franchised Business, provided, with Franchisor's consent, the Franchised Business may be under the day-to-day supervision of General Manager. If Franchisee is an individual and meets the required qualifications, Franchisee may serve as the Operating Principal for the

Franchised Business. Franchisee shall notify Franchisor promptly if the individual serving as the Operating Principal for the Franchised Business no longer serves as an employee of Franchisee or no longer meets the requirements of being an Operating Principal for the Franchised Business. "Operating Principal" shall mean an individual who (1) has at least two (2) years of management experience in the operation of a retail business or athletic facility, (2) has completed Franchisor's required training program, (3) Franchisor has approved to supervise the day-to-day operations of the Franchised Business, (4) owns at least five percent (5%) of the equity interest in Franchisee if Franchisee is a business entity, and (5) lives no more than a two (2) hour drive from the Franchised Business.

5.26.4.2 Owners: An "owner" is any person that has any direct or indirect interest in Franchisee, or in any entity that has any direct or indirect ownership interest in Franchisee. All owners along with their ownership interests, shall be identified in Exhibit E hereto, and any change in ownership, whether subject to Section 12.3 or not, shall be provided to Franchisor, in advance and in writing, and Exhibit E shall be amended to reflect all changes in ownership.

5.26.4.3 General Manager: Franchisee shall designate a Franchised Business general manager, subject to approval by Franchisor, and satisfactory completion of Franchisor's training programs, who shall be responsible for the direct oversight and management of the day-to-day operations and personnel at the Franchised Business (the "General Manager"). Franchisee at all times shall maintain at least one certified General Manager in the Franchised Business trained and certified by Franchisor for the Franchised Business. If the General Manager's position becomes vacant, Franchisee shall fill the vacancy within sixty (60) days with a fully-trained and certified general manager. The General Manager and the Principal Operator may be the same person, if he/she is qualified to perform both roles and duties, and is approved by Franchisor.

5.27 Personal Guarantee, Indemnification, and Acknowledgement. Concurrent with its execution of this Agreement, if Franchisee is a business entity, each owner shall execute the Guarantee, Indemnification and Acknowledgement in the form attached to this Agreement as Exhibit D, provided, however, that no guarantee shall be required from a person who acquires Franchisee's securities (other than a controlling interest) if and after Franchisee becomes registered under the Securities Exchange Act of 1934. In addition, Franchisor may require that the spouse (or domestic partner or other immediate family member) of an owner sign the Guarantee, Indemnification, and Acknowledgment.

5.28 System Modifications. Franchisee acknowledges and agrees that from time to time hereafter Franchisor may change or modify the System as Franchisor deems appropriate, including to reflect the changing market and/or to meet new and changing member and customer demands, and that variations and additions to the System may be required from time to time to preserve and enhance the public image of the System and operations of TruGolf Links Centers. Franchisor's changes to the System may include the adoption and use of new or modified products, services, equipment, and furnishings, and new techniques and methodologies relating to the operation of a TruGolf Links Center, the preparation, sale, promotion, and marketing of food and beverage products and services, and new trademarks, service marks, and copyrighted materials. Notwithstanding the provisions and limitations of Section 5.9, Franchisee shall, upon reasonable notice, accept, implement, use, and display in the operation of the Franchised Business any such changes in the System, as if they were part of this Agreement at the time of execution hereof, at Franchisee's sole expense. Additionally, Franchisor reserves the right, in its sole discretion, to vary the standards throughout the System, as well as the services and assistance that Franchisor may provide to some franchisees based upon the peculiarities of a particular circumstance, existing business practices, or other factors that Franchisor deems to be important to the operation of any TruGolf Links Center or the System. Franchisee shall not be entitled to require Franchisor to provide Franchisee with a like or similar variation hereunder.

5.29 Membership Program and Membership Agreements.

5.29.1 Franchisor reserves the right to require that Franchisee participate in a System membership program in which a member of any TruGolf Links Center may visit and enjoy privileges at all TruGolf Links Center, including the Franchised Business. The terms for such membership program, including any Franchisee reimbursement and/or compensation requirements will be designated or prescribed by Franchisor in the Manuals. Franchisor may eliminate and/or modify the membership program at any time.

5.29.2 Franchisee must ensure that every form of membership agreement that Franchisee uses complies with the System and applicable laws, including laws pertaining to and escrow requirements. Franchisee must send Franchisor (a) copies of all forms of membership agreements Franchisee intends to use at least thirty (30) days before Franchisee begins offering memberships; and (b) copies of any revised forms of membership agreements within ten (10) days after Franchisee makes any revisions. Franchisor may review and approve or disapprove such agreements, provided that Franchisor's review will be limited to verifying compliance with the System and not evaluating compliance with applicable laws (which remain solely Franchisee's responsibility). Franchisee must not use (and must discontinue use of) any forms of membership agreements that Franchisor does not approve.

5.30 No Third-Party Management. The Franchised Business shall be operated under the control and supervision of Franchisee, its Principal Operator, the General Manager, or another general manager hired by and employed by Franchisee and approved by Franchisor. Franchisee shall not hire or retain a management company, manager (other than an employee manager trained and approved by Franchisor), or third party to undertake any of the management or operational functions of the Franchised Business.

6. ADVERTISING AND MARKETING

Recognizing the value of advertising and marketing, and the importance of the standardization of advertising and marketing programs to the furtherance of the goodwill and public image of the System, the parties agree as follows:

6.1 Grand Opening Program. In addition to and not in lieu of the Brand Development Fund Contribution and any expenditures for local advertising and promotion, Franchisee shall spend a minimum of Fifteen Thousand Dollars ($15,000) for grand opening advertising and promotional programs in conjunction with the Franchised Business's initial grand opening, pursuant to a grand opening marketing plan which Franchisor and Franchisee will collaborate and agree upon (the "Grand Opening Program"). Franchisor reserves the right to require that Franchisee pay to Franchisor the required and agreed upon Grand Opening Program amount ("Grand Opening Program Amount") at a time that is sufficiently in advance of the scheduled opening to implement the Grand Opening Program. If Franchisor requires that Franchisee pay the Grand Opening Program Amount to Franchisor, Franchisor will use the Grand Opening Program Amount to develop and implement the Grand Opening Program for Franchisee's Franchised Business. The Grand Opening Program may commence prior to opening the Franchised Business and shall be completed within sixty (60) days after the Franchised Business commences operation. If Franchisor spends additional amounts on advertising as part of the Grand Opening Program, in amounts that Franchisor and Franchisee agree are part of the Grand Opening Program, Franchisee must reimburse Franchisor for the additional costs within fifteen (15) days after the receipt of notice from Franchisor. Franchisee may spend such additional sums as Franchisee deems necessary or appropriate in connection with the opening of the Franchised Business. Franchisee shall submit to Franchisor, for Franchisor's prior written approval, a Grand Opening Program marketing plan and samples of all advertising and promotional material not prepared or previously approved by Franchisor.

6.2 Brand Development Fund Expenditure. Franchisor shall have the right to establish the Brand Development Fund and/or a Local Marketing Cooperative, as described in this Section 6.

6.2.1 Brand Development Fund. Commencing once Franchisor has established a Brand Development Fund and continuing for each calendar month thereafter during the term of this Agreement, Franchisee shall pay to Franchisor an amount equal to one percent (1%) of the preceding month's Gross Sales (the "Brand Development Fund Contribution"). For all TruGolf Links Centers owned by Franchisor, Franchisor shall contribute to the Brand Development Fund on the same basis as franchisees. Franchisor shall have the right to increase the Brand Development Fund Contribution by not more than one percent (1%) of Gross Sales per year. During the term of this Agreement, the Brand Development Fund Contribution shall not exceed five percent (5%) of Gross Sales. The Brand Development Fund shall be maintained and administered by Franchisor or its designee, as follows:

6.2.2 Franchisor or its designee shall have the right to direct all advertising programs, as well as all aspects thereof, including the concepts, materials, and media used in such programs and the placement and allocation thereof. The Brand Development Fund is intended to maximize general public recognition, acceptance, perception of, and use of the System; and Franchisor and its designee are not obligated, in administering the Brand Development Fund, to make expenditures for Franchisee which are equivalent or proportionate to its contribution, or to ensure that any particular franchisee benefits directly or pro rata from expenditures by the Brand Development Fund. Franchisor may engage a third party to manage or help manage the Brand Development Fund.

6.2.3 Franchisor may use the Brand Development Fund Contribution for any and all costs of maintaining, administering, directing, conducting, creating, and/or otherwise preparing brand development, advertising, marketing, public relations, and/or promotional programs and materials, and any other activities which Franchisor believes will enhance the image of the System, including the costs of preparing and/or conducting: media advertising campaigns; social media campaigns; direct mail advertising; marketing surveys and other public relations activities; employing advertising and/or public relations agencies to assist therein; brand research and development; developing and hosting marketing, brand development and enhancement, and member and customer engagement seminars for franchisees; purchasing promotional items; developing new or modified trade dress and marks; point-of-purchase (POP) materials; design and photographs; conducting and administering visual merchandising, and other merchandising programs; purchasing media space or time (including all associated fees and expenses); administering regional and multi-regional marketing and advertising programs; market research and member/customer satisfaction surveys; developing and implementing member and customer loyalty and gift card programs; member and customer retention programs; the creative development of, and actual production associated with, premium items, giveaways, promotions, contests, public relation events, and charitable or non-profit events and sponsorships; developing, implementing, and maintaining an electronic commerce website and/or related strategies; maintaining and developing one or more websites devoted to the System, Marks, and/or the "TruGolf Links" brand; providing promotional and other marketing materials and services to the TruGolf Links Centers operated under the System; the salaries of Franchisor's employees to the extent such employees provide services in conjunction with the System marketing activities; the fees or costs of any third party engaged to manage or help manage the Brand Development Fund; and all administrative and internal costs and expenses incurred in connection with the above. Franchisor or its designee shall have the right to direct all advertising programs, as well as all aspects thereof, including the concepts, materials, and media used in such programs and the placement and allocation thereof. Franchisee agrees and acknowledges that Franchisor's expenditures from the Brand Development Fund are intended to maximize general public recognition, acceptance, perception of, and use of the System; and that Franchisor and its designee are not obligated, in administering the Brand Development Fund, to make expenditures for Franchisee which are equivalent or proportionate to

Franchisee's contribution, or to ensure that any particular franchisee benefits directly or pro rata from such expenditures.

6.2.4 Franchisee shall contribute to the Brand Development Fund in the manner specified by Franchisor. All sums paid by Franchisee to the Brand Development Fund will be maintained by Franchisor or its designee in an account separate from Franchisor's other monies. Franchisor may charge the Brand Development Fund for such reasonable administrative costs and overhead as Franchisor may incur in activities reasonably related to the direction and implementation of the Brand Development Fund and advertising programs for franchisees and the System, including costs of personnel for creating and implementing, advertising, merchandising, promotional and marketing programs and accounting services reasonably related to the operation and functions of the Brand Development Fund.

6.2.5 The Brand Development Fund is not intended to be, and will not be used for, Franchisor's ordinary operating expenses. The Brand Development Fund is not a trust, and Franchisor does not assume any fiduciary obligation to Franchisee for maintaining, directing, or administering the Brand Development Fund or for any other reason. Franchisor will prepare an annual statement of the Brand Development Fund's operations and will make it available to Franchisee upon request.

6.2.6 Although the Brand Development Fund is intended to be of perpetual duration, Franchisor has the right to terminate the Brand Development Fund. The Brand Development Fund shall not be terminated, however, until all monies in the Brand Development Fund have been expended for purposes authorized by this Section 6.2 or returned to Brand Development Fund contributors in the manner and amounts determined by Franchisor.

6.3 Local Advertising and Promotion. Commencing on the Effective Date, Franchisee must spend at least three percent (3%) of Gross Sales per month on Local Advertising and Promotion (defined below in Section 6.4) within the Service Area. All local advertising and promotion by Franchisee shall be in such media, and of such type and format as Franchisor may approve; shall be conducted in a dignified manner; shall conform to such standards and requirements as Franchisor may specify; and shall comply with all applicable laws. Franchisee shall not use any advertising or promotional plans or materials unless and until Franchisee has received written approval from Franchisor, pursuant to the procedures and terms set forth in Section 6.6 below. Franchisee shall comply with all of Franchisor's written instructions, policies, procedures, and restrictions regarding advertising and marketing within the Service Area (including, without limitation, rules regarding honoring of gift certificates, stored value cards, and promotions). Franchisee may not conduct Local Advertising and Promotion outside the Service Area. Each calendar quarter at the time designated by Franchisor in the Manuals, Franchisee must provide a written report or summary in the form specified by Franchisor in the Manuals regarding Franchisee's Local Advertising and Promotion expenditures during the prior calendar quarter.

6.4 Costs of Local Advertising and Promotion. As used in this Agreement, the term "Local Advertising and Promotion" shall consist only of the direct costs of purchasing and producing local advertising, marketing, promotion, and social media engagement, including for advertising materials (including, but not limited to, camera ready advertising and point-of-sale materials), media (space or time), and those direct out-of-pocket expenses related to costs of advertising and sales promotion spent by Franchisee in the Service Area, advertising agency fees and expenses, and postage, shipping, telephone, and photocopying charges related thereto; however, the parties expressly agree that advertising and sales promotion shall not include costs or expenses incurred by or on behalf of Franchisee in connection with any of the following:

6.4.1 Salaries and expenses of any employees of Franchisee, including salaries or expenses for attendance at advertising meetings or activities, or incentives provided or offered to such employees, including discount coupons;

6.4.2 Charitable, political, or other contributions or donations, whether in cash or services; and

6.4.3 The value of discounts provided to members and customers and

6.4.4 The cost of food items.

6.5 Local Marketing Cooperative. Franchisor shall have the right to designate any geographical area for the purpose of establishing a market brand development and promotional cooperative fund ("Local Marketing Cooperative"). If a Local Marketing Cooperative for the geographic area in which the Franchised Business is located has been established at the time Franchisee commences operations hereunder, Franchisee shall immediately become a member of such Local Marketing Cooperative, unless otherwise permitted by Franchisor. If a Local Marketing Cooperative for the geographic area in which the Franchised Business is located is established during the term of this Agreement, Franchisee shall become a member of such Local Marketing Cooperative within thirty (30) days after the date on which the Local Marketing Cooperative commences operation, unless otherwise permitted by Franchisor. In no event shall Franchisee be required to be a member of more than one (1) Local Marketing Cooperative relating to the Franchised Business. Franchisee shall contribute to the Local Marketing Cooperative of which Franchisee is a member an amount each calendar month during the term of this Agreement that is determined by Franchisor, which shall not be more than three percent (3%) of the preceding month's Gross Sales (the "Local Marketing Cooperative Fee"); provided that any amount paid by Franchisee toward the Local Marketing Cooperative Fee will be credited towards Franchisee's Local Advertising and Promotion (as described in Section 6.3) up to a maximum of two percent (2%) of Gross Sales. If a Local Marketing Cooperative for the geographic area in which a TruGolf Links Center owned or operated by Franchisor or its affiliate is located is established, Franchisor or such affiliate will contribute to the Local Marketing Cooperative on the same basis as franchisees. The following provisions shall apply to each such Local Marketing Cooperative:

6.5.1 Each Local Marketing Cooperative shall be organized (including bylaws and other formation documents) and governed in a form and manner, and shall commence operations on a date, approved in advance by Franchisor in writing. Unless otherwise specified by Franchisor, the activities carried on by each Local Marketing Cooperative shall be decided by a majority vote of its members. Any TruGolf Links Centers that Franchisor or its affiliate operates in the region shall have the same voting rights as those owned by franchisees. Each TruGolf Links Center owner shall be entitled to cast one (1) vote for each TruGolf Links Center owned.

6.5.2 Each Local Marketing Cooperative shall be organized for the exclusive purpose of administering regional advertising programs and developing, subject to Franchisor's approval, standardized promotional materials for use by the members in local advertising.

6.5.3 No advertising or promotional plans or materials may be used by a Local Marketing Cooperative or furnished to its members without Franchisor's prior approval, pursuant to the procedures and terms as set forth in this Agreement.

6.5.4 Franchisee shall submit Franchisee's required contribution to the Local Marketing Cooperative at the time required under Section 3.5 above, together with such statements or reports as may be required by Franchisor or by the Local Marketing Cooperative with Franchisor's prior written approval.

If so requested by Franchisor in writing, Franchisee shall submit Franchisee's payments and reports to the Local Marketing Cooperative directly to Franchisor for distribution to the Local Marketing Cooperative.

6.5.5 Although once established, each Local Marketing Cooperative is intended to be of perpetual duration, Franchisor shall maintain the right to terminate any Local Marketing Cooperative. A Local Marketing Cooperative shall not be terminated, however, until all monies in that Local Marketing Cooperative have been expended for advertising and/or promotional purposes or returned to its members.

6.6 Approvals. For all proposed Local Advertising and Promotion, Franchisee shall submit samples of such plans and materials to Franchisor in the manner that Franchisor prescribes, for Franchisor's review and prior written approval at least thirty (30) days prior to use of such materials (except with respect to prices to be charged by Franchisee unless otherwise permitted in this Agreement). If written approval is not received by Franchisee from Franchisor within fifteen (15) days after the date of receipt by Franchisor of such samples or materials, Franchisor shall be deemed to have approved them. Franchisee acknowledges and agrees that any and all copyright in and to advertising and promotional materials developed by or on behalf of Franchisee shall be the sole property of Franchisor, and Franchisee agrees to execute such documents (and, if necessary, require its independent contractors to execute such documents) as may be deemed reasonably necessary by Franchisor to give effect to this provision.

6.7 Promotional Materials. Franchisor may make available to Franchisee from time to time, at Franchisee's expense, advertising plans and promotional materials, including newspaper mats, coupons, merchandising materials, sales aids, point of purchase materials, special promotions, direct mail materials, community relations programs, and similar advertising and promotional materials. Franchisor may provide periodic marketing assistance to Franchisee, including telephone and e-mail marketing assistance, and templates or other materials for e-mail-based marketing. Franchisor shall have the right to require all advertising and promotional materials, signs, decorations, paper goods (including disposable food and beverage containers, bags, napkins, menus, and all forms and stationery used in the Franchised Business), any and all replacement trade dress products, and other items which may be designated by Franchisor, to bear the Franchisor's then-current Proprietary Marks and logos in the form, color, location, and manner then-prescribed by Franchisor.

7. RECORDS AND REPORTS

7.1 Records. Franchisee shall maintain for a period of not less than three (3) years during the term of this Agreement, and, for not less than three (3) years following the termination, expiration, or non-renewal of this Agreement, full, complete, and accurate books, records, and accounts in accordance with generally accepted accounting principles, as required by law, and in the form and manner prescribed by Franchisor from time to time in the Manuals or otherwise in writing. Franchisee shall prepare and maintain all books and records required under this Agreement and as prescribed by Franchisor during each fiscal year during the term of this Agreement and for the three (3) years prior to each fiscal year. To the extent books and records are created and/or maintained in an electronic form, all such books and records must be capable of being reviewed by Franchisor or its designee without special hardware or software.

7.2 Periodic Reports. Franchisee shall, at its expense, provide to Franchisor, in a format specified by Franchisor, such financial and operating reports that Franchisor prescribes. Failure to provide any periodic reports in a timely manner will result in a One Hundred Dollars ($100) per day late fee, in addition to all other rights and remedies available to Franchisor.

7.3 Reporting Requirements. In addition to the Sales Reports required pursuant to Section 3.5, Franchisee shall also submit to Franchisor such other forms, reports, records, information, and data as and when Franchisor may reasonably designate, in the form and format, and at the times and places reasonably

required by Franchisor, upon request and as specified from time to time in the Manuals or otherwise in writing.

7.4 Audit. Franchisor or its designee shall have the right at all reasonable times to examine, copy, and/or personally review or audit, at Franchisor's expense, all books, records, and sales and income tax returns of Franchisee. Franchisee shall cooperate fully with all audits and requests for information made by Franchisor or its designees. Franchisor shall also have the right, at any time, to have an independent audit made of the books of Franchisee. If an inspection reveals that any payments have been understated or overstated in any report to Franchisor, then Franchisee shall immediately pay Franchisor, in the event of an understatement, the amount understated upon demand, in addition to interest from the date such amount was due until paid, at the rate of two percent (2%) per month, or the maximum rate permitted by law, whichever is less. If an inspection is necessitated because Franchisee fails to timely provide Sales Reports or if an inspection discloses an understatement in any report by Franchisee of two percent (2%) or more, Franchisee shall, in addition, reimburse Franchisor for any and all costs and expenses connected with the inspection (including, without limitation, travel, lodging, and wages expenses, and reasonable accounting and legal costs). The foregoing remedies shall be in addition to any other remedies Franchisor may have.

8. PROPRIETARY MARKS

8.1 Use of the Proprietary Marks. With respect to Franchisee's use of the Proprietary Marks, Franchisee agrees that:

8.1.1 Franchisee shall use only the Proprietary Marks designated by Franchisor and shall use them only in the manner authorized and permitted by Franchisor. All items bearing the Proprietary Marks shall bear the then-current logo.

8.1.2 Franchisee shall use the Proprietary Marks only for the operation of the business franchised hereunder and only at the location authorized hereunder, or in Franchisor-approved advertising for the business conducted at or from that location.

8.1.3 Unless Franchisor otherwise directs Franchisee, in writing, to do so, Franchisee shall operate and advertise the Franchised Business only under the name "TruGolf Links," without prefix or suffix.

8.1.4 Franchisee shall identify itself (in a manner reasonably acceptable to Franchisor) as the independent owner of the franchised TruGolf Links Center in conjunction with any use of the Proprietary Marks, including uses on invoices, order forms, receipts, and contracts, as well as the display of a notice in such content and form and at such conspicuous locations on the premises of the Franchised Business as Franchisor may designate in writing.

8.1.5 Franchisee's right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of Franchisor's rights.

8.1.6 Franchisee shall not use the Proprietary Marks to incur any obligation or indebtedness on behalf of Franchisor.

8.1.7 Franchisee shall not use the Proprietary Marks or any variant thereof as part of its corporate or other legal name, or as part of any e-mail address, domain name, websites or other identification of Franchisee in any electronic medium (including e-mail addresses, account names in a social media site, and the like) of Franchisee or the Franchised Business in any forum or medium. Franchisor

reserves the right to require Franchisee to file or otherwise update its corporate or other legal name with state or local government authorities to reflect "TruGolf Links" as a DBA.

8.1.8 Franchisee shall execute any documents deemed necessary by Franchisor to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability.

8.1.9 With respect to litigation or action involving the Proprietary Marks, the parties agree that:

8.1.9.1 Franchisee shall promptly notify Franchisor of any suspected infringement of the Proprietary Marks, any known challenge to the validity of the Proprietary Marks, or any known challenge to Franchisor's or its affiliate's ownership of, or Franchisee's right to use, the Proprietary Marks licensed hereunder. Franchisee acknowledges that Franchisor or its affiliate shall have the right to direct and control any administrative or arbitral proceeding or litigation involving the Proprietary Marks, including any settlement thereof. Franchisor or its affiliate shall also have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks.

8.1.9.2 Except to the extent that any litigation or arbitration involving the Proprietary Marks is the result of Franchisee's use of the Proprietary Marks in a manner inconsistent with the terms of this Agreement or involving any other claim against Franchisor, Franchisor will reimburse Franchisee for its out-of-pocket litigation and arbitration costs in doing such acts and things, except that Franchisee shall bear the salary costs of its employees, and Franchisor or its affiliate shall bear the costs of any judgment or settlement but only if the claim on which the judgment or settlement is made is only related to the validity or ownership of the Proprietary Marks. To the extent that such litigation or arbitration is the result of Franchisee's use of the Proprietary Marks in a manner inconsistent with the terms of this Agreement, Franchisee shall reimburse Franchisor or its affiliate for the cost of such litigation or arbitration (or, upon Franchisor's written request, pay Franchisor's legal fees directly), including attorney's fees, as well as the cost of any judgment or settlement.

8.1.9.3 If Franchisor or its affiliate undertakes the defense or prosecution of any litigation or arbitration relating to the Proprietary Marks, Franchisee shall execute any and all documents and do such acts and things as may, in the opinion of counsel for Franchisor, be necessary to carry out such defense or prosecution, including becoming a nominal party to any legal action.

8.2 Franchisee Acknowledgements Regarding Proprietary Marks. Franchisee expressly understands and acknowledges that:

8.2.1 As between Franchisee and Franchisor, Franchisor or its affiliates are the exclusive owner of the Proprietary Marks. The Proprietary Marks are valid and serve to identify the System and those who are authorized by Franchisor to operate and/or develop under the System.

8.2.2 Neither Franchisee nor any owner of Franchisee shall directly or indirectly contest the validity of ownership of the Proprietary Marks by Franchisor or its affiliate, or Franchisor's license to use and sublicense the Proprietary Marks. Nor shall Franchisee or any owner of Franchisee, directly or indirectly, seek to register the Proprietary Marks with any government agency, except with the express prior written consent of Franchisor. Franchisee shall not grant, or attempt to grant, a security interest in, or otherwise encumber, any Proprietary Marks or record any security interest or encumbrance against any application or registration regarding any Proprietary Marks.

8.2.3 Franchisee's right to use Proprietary Marks is derived solely from this Agreement and limited to its operation of the Franchised Business pursuant to and in compliance with this Agreement

and Franchisor's standards and specifications. Franchisee's use of the Proprietary Marks does not give Franchisee any ownership interest or other interest in or to the Proprietary Marks, except the license granted by this Agreement.

8.2.4 Any and all goodwill arising from Franchisee's use of the Proprietary Marks shall inure solely and exclusively to the benefit of Franchisor. This Agreement does not confer any goodwill or other interests in Proprietary Marks upon Franchisee other than the limited right to operate the Franchised Business in compliance with this Agreement. Upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the System or the Proprietary Marks.

8.2.5 The right and license of the Proprietary Marks granted hereunder to Franchisee is nonexclusive, and Franchisor and its affiliates thus have and retain the rights, among others:

8.2.5.1 To use the Proprietary Marks itself in connection with selling products and services;

8.2.5.2 To grant other licenses for the Proprietary Marks, in addition to those licenses already granted to existing franchisees or other licensees authorized to operate using the Proprietary Marks;

8.2.5.3 To develop and establish other systems using the same or similar Proprietary Marks, or any other proprietary marks, and to grant licenses or franchises thereto without providing any rights therein to Franchisee.

8.2.6 Franchisor may, at any time, at its sole option, require Franchisee to use any additional, alternative, or substitute Proprietary Marks. If Franchisor for any reason is required to or deems it advisable to modify or discontinue the use of any Proprietary Marks and/or use one or more additional, alternative, or substitute trademarks or service marks, Franchisee will comply with Franchisor's directions within a reasonable time after receiving notice from Franchisor. All costs and expenses relating to the modification or discontinuance of the use of any Proprietary Marks and/or the use of one or more additional, alternative, or substitute trademarks or service marks will be paid by Franchisee. All provisions of this Agreement applicable to Proprietary Marks apply to any additional, alternative, or substitute trademarks and service marks or other commercial symbols that Franchisor authorizes Franchisee to use pursuant to this Agreement.

9. MANUALS

9.1 Manuals. In order to protect the reputation and goodwill of Franchisor, its affiliates, and the TruGolf Links brand and System and to maintain high standards of operation under Franchisor's Proprietary Marks, Franchisee shall conduct its business in accordance with the Manuals, one (1) copy of which Franchisee acknowledges having received on loan from Franchisor for the term of this Agreement. The Manuals may consist of multiple volumes of printed text, video and/or audio tapes and files, computer disks, and other electronically stored data, and various and periodic or episodic operational and/or management bulletins, in any format, and Franchisee acknowledges and agrees that Franchisor may provide a portion or all of the Manuals (including updates and amendments), and other instructional information and materials in, or via, electronic media, including through the Internet.

9.2 Confidentiality of the Manuals. Franchisee shall at all times treat the Manuals, any other manuals created for or approved for use in the operation of the Franchised Business, and the information contained therein, as confidential, and shall use best efforts to maintain such information as secret and

confidential, protect it from viewing by others, and treat the Manuals with the same degree of care as it would treat its most highly confidential documents. Franchisee shall not at any time copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person.

9.3 Protection of the Manuals. The Manuals shall at all times remain the sole property of Franchisor and shall at all times be kept in a secure place on the Franchised Business premises. Franchisee shall ensure that the Manuals are kept current and up to date; and, in the event of any dispute as to the contents of the Manuals, the terms of the master copy of the Manuals maintained by Franchisor at Franchisor's home office shall be controlling.

9.4 Revisions to the Manuals. Franchisor may from time to time revise the contents of the Manuals, and Franchisee expressly agrees to make corresponding revisions to its copy of the Manuals and to comply with each new or changed standard immediately upon receipt of such revision.

10. CONFIDENTIALITY AND COVENANTS NOT TO COMPETE

10.1 Confidential Information. Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, entity, association, or corporation any confidential information, trade secrets, knowledge, or know how concerning the System or the methods of operation of the business franchised hereunder which may be communicated to Franchisee or of which Franchisee may be apprised by virtue of Franchisee's operation under the terms of this Agreement (the "Confidential Information"). Franchisee shall divulge such Confidential Information only to such of its employees as must have access to it in order to operate the Franchised Business. Any and all information, knowledge, know how, and techniques which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Franchisee can demonstrate came to its attention prior to disclosure thereof by Franchisor; or which, at or after the time of disclosure by Franchisor to Franchisee, had become or later becomes a part of the public domain, through publication or communication by others. Any employee who may have access to any Confidential Information regarding the Franchised Business shall execute a covenant that s/he will maintain the confidentiality of information they receive in connection with their association with Franchisee. Such covenants shall be on the then-current form provided by Franchisor, which form may, among other things, designate Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them. Exhibit F to this Agreement is Franchisor's current form of Non-Disclosure Agreement. Franchisee shall deliver to Franchisor copies of such executed covenants immediately upon Franchisor's request. Failure by Franchisee to obtain execution of a covenant required by this Section 10.1 shall constitute a default under this Section 10.

10.2 Irreparable Injury. Franchisee acknowledges that any failure to comply with the requirements of this Section 10 will cause Franchisor irreparable injury, and Franchisee agrees to pay all court costs and reasonable attorney's fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Section 10.

10.3 Information Exchange. Franchisee agrees to disclose to Franchisor all ideas, concepts, methods, techniques, and products conceived or developed by Franchisee, its affiliates, owners, agents, or employees during the term of this Agreement relating to the development and/or operation of the Franchised Business. Franchisee hereby grants to Franchisor, and agrees to procure from its affiliates, owners, agents, or employees, a perpetual, non-exclusive, and worldwide right to use any such ideas, concepts, methods, techniques, and products in all food service businesses operated by Franchisor or its affiliates, franchisees, and designees. Franchisor shall have no obligation to make any payments to Franchisee with respect to any such ideas, concepts, methods, techniques, or products. Franchisee agrees that Franchisee will not use or

allow any other person or entity to use any such concept, method, technique, or product without obtaining Franchisor's prior written approval.

10.4 Full Time and Best Efforts. During the term of this Agreement, except as otherwise approved in writing by Franchisor, the Operating Principal or a General Manager appointed in accordance with Section 5 shall devote full time, energy, and best efforts to the management and operation of the Franchised Business.

10.5 In-Term Covenants. Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable trade secrets, specialized training, and Confidential Information, including information regarding Franchisor's operational, sales, promotional, and marketing methods and techniques and the System. During the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee shall not (a) within the Service Area or (b) within twenty-five (25) miles of any other TruGolf Links Center owned and/or operated or then under construction by Franchisor or any other franchisee or licensee of Franchisor, either directly or indirectly, for Franchisee, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity:

10.5.1 Divert or attempt to divert any business, member, or customer of the Franchised Business or of any TruGolf Links Center using the System to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks, brand, and the System.

10.5.2 Except as otherwise approved in writing by Franchisor, directly or indirectly, own, maintain, operate, engage in, have any interest in, or provide any assistance to (whether as owner, stockholder, partner, officer, director, employee, consultant, franchisor, franchisee, lessor, or otherwise) any "Competitive Business," which means any business that, as determined by Franchisor in its sole determination, is the same as or substantially similar to the Franchised Business or the TruGolf Links brand, including, without limitation, any business that is primarily related to golf or that provides facilities for golf simulators.

10.6 Post-Term Covenants. Except as otherwise approved in writing by Franchisor, Franchisee shall not, for a continuous uninterrupted period of two (2) years from the date of: (a) a transfer permitted under Section 12.3 below; (b) expiration or termination of this Agreement (regardless of the cause for termination); or (c) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to the enforcement of this Section 10.6, either (1) directly or indirectly own, maintain, operate, engage in, have any interest in, or provide any assistance to (whether as owner, stockholder, partner, officer, director, employee, consultant, franchisor, franchisee, lessor, or otherwise) any Competitive Business which is, or is intended to be, located: (a) within the Service Area of the Franchised Business or (b) within ten (10) miles of any other TruGolf Links Center owned and/or operated or then under construction by Franchisor, Franchisor's affiliate, or any other franchisee or licensee of Franchisor as of the time that the obligations under this Section 10.6 commence, or (2) do or perform, directly or indirectly, any act injurious to the goodwill associated with the Proprietary Marks and the System. If Franchisee does not comply with the post-term covenants as specified in this Section 10.6, the post-term non-compete period shall not begin to run until Franchisee begins to comply.

10.7 Publicly Held Corporations. Section 10.6 above shall not apply to ownership by Franchisee of less than a five percent (5%) beneficial interest in the outstanding equity securities of any publicly held corporation. As used in this Agreement, the term "publicly held corporation" shall be deemed to refer to a corporation which has securities that have been registered under the Securities Exchange Act of 1934.

10.8 Individual Covenants. Franchisee shall require and obtain execution of covenants similar to those set forth in Sections 8, 9, 10, 12, and 14 (as modified to apply to an individual, if applicable) from any or all of Franchisee's owners holding a five percent (5%) or greater interest in Franchisee, the Operating Principal, and the General Manager; provided, only those individuals with an ownership interest in Franchisee must agree to covenants similar to those set forth in Sections 10.5.2 and 10.6. The covenants required by this Section 10.8 shall be in the form provided in Exhibit E and/or Exhibit F to this Agreement. Franchisee shall deliver to Franchisor copies of such executed covenants immediately upon Franchisor's request. Failure by Franchisee to obtain execution of a covenant required by this Section 10.8 shall constitute a default under this Section 10.

10.9 Severability. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 10 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 10.

10.10 Scope of Covenants. Franchisor shall have the right to reduce the scope of any covenant set forth in Sections 10.5 and 10.6 in this Agreement, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 24 below.

10.11 Enforcement of Claims. The existence of any claims Franchisee may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 10. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses)) incurred by Franchisor in connection with the enforcement of this Section 10.

10.12 Irreparable Injury. Franchisee acknowledges that Franchisee's violation of the terms of this Section 10 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Franchisee accordingly consents to the issuance of an injunction prohibiting any conduct by Franchisee in violation of the terms of this Section 10.

10.13 Remedies Not Exclusive. The remedies in this Section 10 are in addition to the other right and remedies available to Franchisor and shall not serve as an election of remedies or a waiver of any other rights.

11. INSURANCE

11.1 Franchisee shall comply with the following insurance provisions:

11.1.1 Insurance Requirements. Prior to the commencement of any activities or operations pursuant to this Agreement, Franchisee shall procure and maintain in full force and effect during the term of this Agreement (and for such period thereafter as is necessary to provide the coverages required hereunder for events having occurred during the term of this Agreement), at Franchisee's expense, the

following insurance policy or policies in connection with the Franchised Business or other facilities on premises, or by reason of the construction, operation, or occupancy of the Franchised Business or other facilities on premises. Such policy or policies shall be written by an insurance company or companies approved by Franchisor, having a rating of at least "A" and a class rating of at least "xiv" in the most recent Key Rating Guide published by the A.M. Best Company (or another rating that Franchisor reasonably designates if A.M. Best Company no longer publishes the Key Rating Guide) and licensed to do business in the state in which the Franchised Business is located. All policies will be primary and non-contributory to any insurance that Franchisor may carry and include a waiver of subrogation in Franchisor's favor. Such policy or policies shall include, at a minimum (except as additional coverages and higher policy limits may reasonably be specified for all franchisees from time to time by Franchisor in the Manuals or otherwise in writing to reflect inflation, identification of new risks, changes in the law or standards of liability, higher damage awards and other relevant changes in circumstances), the following:

11.1.1.1 Liability. A comprehensive general liability policy in the amount of not less than $2,000,000 bodily injury liability and property damage aggregate and $1,000,000 liability per occurrence, including premises, operations, products, and completed operations, broad form property damage, blanket contractual owner's and contractor's protective, personal injury, and non-owned or hired automobiles.

11.1.1.2 Fire. Fire, extended coverage, and "all risk" or direct physical loss, subject to standard exclusions, in an amount not less than 100% of the replacement value of the premises (exclusive of foundation and excavation costs), including all Equipment and any additions to or substitutions for the premises and Equipment. The replacement cost values as defined in said policy shall include the replacement value of stated items then being constructed or purchased by Franchisor at the time of loss.

11.1.1.3 Business Income and Extra Expense. Business income and extra expense insurance in an amount not less than adequate to pay for the monthly rent reserved under any real property lease or sublease, Franchised Business equipment lease or sublease, sign lease or sublease, royalties, and other continuing expenses for a limit of fifty percent (50%) of annual sales or twelve (12) months actual loss sustained basis and an extended period of indemnity for not less than one hundred eighty (180) days.

11.1.1.4 Business Automobile Liability Insurance. Business automobile liability insurance, including a combined single bodily injury and property damage coverage for all owned, non-owned, and hired vehicles, with limits of liability not less than One Million Dollars ($1,000,000) per occurrence for both bodily injury and property damage.

11.1.1.5 Statutory Workers' Compensation Insurance. Statutory workers' compensation insurance and employer's liability insurance for a minimum limit of at least One Million Dollars ($1,000,000), as well as such other disability benefits type insurance as may be required by statute or rule of the state in which the Franchised Business is located. Franchisee shall have and maintain such insurance for all of its employees prior to any employee commencing any training with Franchisor. Franchisee agrees to obtain a waiver of subrogation endorsement on its workers' compensation policy, and shall provide to Franchisor proof of both (i) the effective workers' compensation policy, and (ii) the endorsement to such policy waiving the insurer's right of subrogation.

11.1.1.6 Commercial Umbrella Liability Insurance. Commercial umbrella liability insurance with limits which bring the total of all primary underlying coverages to not less than Three Million Dollars ($3,000,000) total limit of liability.

11.1.1.7 Property Insurance. Property insurance providing coverage for direct physical loss or damage to real and personal property for all risk perils, including the perils of flood and earthquake.

11.1.1.8 Products Liability Insurance. Products liability insurance in an amount not less than One Million Dollars ($1,000,000), which policy shall be considered primary.

11.1.1.9 Liquor Liability Insurance. Liquor Liability Insurance with limits of not less than $1,000,000 single limit per occurrence.

11.1.1.10 Cyber Liability Insurance. Cyber liability insurance in an amount that Franchisor designates.

11.1.1.11 Employment Practices Liability Insurance. Liability for employment-related wrongful acts of Franchisee's employees and harassment and discrimination from non-employees for a minimum limit of not less than One Million Dollars ($1,000,000). This shall also include third party coverage and wage & hour defense costs of at least One Hundred Thousand Dollars ($100,000).

11.1.1.12 Other Insurance. Any other insurance coverage that is required by federal, state, or municipal law.

11.2 Referenced in Manuals. All policies listed in Section 11.1 (unless otherwise noted below) shall contain such endorsements as shall, from time to time, be provided in the Manuals.

11.3 Policy Cancellation. In the event of cancellation, modification, expiration, or non-renewal of any policy, thirty (30) days' advance written notice must be provided to Franchisor in the manner provided in Section 11.7 below. Franchisee shall arrange for a copy of such notification to be sent to Franchisor by the insurance company.

11.4 Construction and Remodeling Insurance. In connection with all significant construction, reconstruction, or remodeling of the Franchised Business during the term of this Agreement, Franchisee will cause the general contractor, its subcontractors, and any other contractor, to effect and maintain at general contractor's and all other contractor's own expense, such insurance policies and bonds with such endorsements as are set forth in the Manuals, all written by insurance or bonding companies approved by Franchisor, having a rating as set forth in Section 11.1.1 above.

11.5 No Waiver of Obligations. Franchisee's obligation to obtain and maintain the foregoing policy or policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Section 16.1.3 below.

11.6 Franchisor to be Additional Named Insured. All insurance policies shall list Franchisor and its affiliates, and their respective officers, directors, partners, members, subsidiaries, employees, and agents as additional named insureds, and shall also contain a provision that Franchisor, although named as an insured, shall nevertheless be entitled to recover under said policies on any loss occasioned to Franchisor or its servants, agents, or employees by reason of the negligence of Franchisee or its servants, agents, or employees. Additional insured status shall include coverage for ongoing and completed operations. The additional insured endorsement form shall be ISO CG 20-26, the Additional Insured/Grantor of Franchise endorsement, or such other form that Franchisor approves in writing that provides comparable coverage. Additional insured coverage shall not be limited to vicarious liability and shall extend to (and there shall be no endorsement limiting coverage for) Franchisor's negligent acts, errors, or omissions or other

additional insureds. Franchisee shall maintain such additional insured status for Franchisor on Franchisee's general liability policies continuously during the term of this Agreement. The Employment Practices Liability policy shall name Franchisor and its affiliates, and their respective officers, directors, partners, members, subsidiaries, employees, and agents as a co-defendant.

11.7 Evidence of Insurance. At least thirty (30) days prior to the time any insurance is first required to be carried by Franchisee, and thereafter at least thirty (30) days prior to the expiration or renewal of any such policy, Franchisee shall deliver to Franchisor, certificates of insurance, endorsements, insurance declarations, and/or other documents requested by Franchisor (collectively, "certificates"), evidencing the proper coverage with limits not less than those required hereunder. All certificates shall expressly provide that no less than thirty (30) days' prior written notice shall be given Franchisor in the event of cancellation, modification, expiration, or non-renewal of the coverages evidenced by such certificates. Further certificates evidencing the insurance required by Section 11.1.1 above shall name Franchisor, and each of its affiliates, directors, agents, and employees as additional insureds, and shall expressly provide that any interest of same therein shall not be affected by any breach by Franchisee of any policy provisions for which such certificates evidence coverage. In the event that Franchisee fails to obtain the required insurance or to provide evidence reasonably satisfactory to Franchisor of the insurance policies required by this Section 11.7, Franchisor shall have the right, but not the obligation, to obtain such required policies on Franchisee's behalf, and Franchisee agrees that it will promptly reimburse Franchisor for all costs related to obtaining such policies, and pay Franchisor an administrative fee equal to eighteen percent (18%) of such costs, upon notice from Franchisor.

11.8 Proof of Insurance. In addition to its obligations under Section 11.7 above, on the first (1st) anniversary of the Effective Date, and on each subsequent anniversary thereof during the term of this Agreement and any renewal hereof, Franchisee shall provide Franchisor with proof of insurance evidencing the proper coverage with limits not less than those required hereunder, in such form as Franchisor may reasonably require.

11.9 Policy Limit Changes. Franchisor shall have the right, from time to time, to make such changes in minimum policy limits, endorsements, and types of coverage as it deems advisable.

11.10 Franchisor's Insurance. Franchisee acknowledges and agrees that any insurance policies maintained by Franchisor for Franchisor's benefit shall have no effect upon Franchisee's obligation to obtain any insurance required by this Section 11.

12. TRANSFER OF INTEREST

12.1 Franchisor Transfers. Franchisor has the right to transfer or assign this Agreement, the System, Confidential Information, and all or any part of Franchisor's rights or obligations under this Agreement or Franchisor's interest in the System and Confidential Information to any person or legal entity without Franchisee's consent. Any transferee or assignee of this Agreement from Franchisor will become solely responsible for all of Franchisor's obligations under this Agreement from the date of the transfer or assignment. Without limiting the foregoing, Franchisor may sell its assets (including its rights in the Proprietary Marks and the System) to a third party; may offer its securities privately or publicly; may merge with or acquire other legal entities or be acquired by another legal entity; and may undertake a refinancing, recapitalization, leveraged buyout, or other economic or financial restructuring. Nothing contained in this Agreement will require Franchisor to remain in the business of operating or licensing the operation of TruGolf Links Centers or other businesses or to offer any services or products to Franchisee, whether or not bearing the Proprietary Marks, if Franchisor transfers or assigns its rights in or obligations under this Agreement and the System.

12.2 Owners. Each owner of Franchisee, and the interest of each of them in Franchisee, is identified in Exhibit D hereto. Franchisee represents and warrants that its owners are set forth on Exhibit D attached to this Agreement and covenants that Franchisee will not permit the identity of such owners, or their respective interests in Franchisee, to change without Franchisor's consent and without complying with this Agreement.

12.3 Franchisee Transfers. Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that Franchisor has granted this franchise in reliance on Franchisee or its owners' business skill, financial capacity, and personal character. Accordingly:

12.3.1 Franchisee and its owners shall not, without Franchisor's prior written consent, transfer, assign, sell, convey, pledge, gift, or otherwise encumber: (a) this Agreement or any of Franchisee's rights and obligations under this Agreement; (b) the Franchised Business or all or substantially all of the assets of the Franchised Business; (c) the leases or any other interest in the Franchised Business; (d) Franchisee; or (e) any direct or indirect ownership interest in Franchisee (individually and collectively, a "Transfer").

12.3.2 If Franchisee is a corporation or limited liability company, Franchisee shall not, without Franchisor's prior written consent, issue any voting securities or securities convertible into voting securities, and the recipient of any such securities shall become an owner under this Agreement, if so designated by Franchisor.

12.3.3 If Franchisee is a partnership or limited partnership, the partners of the partnership shall not, without Franchisor's prior written consent, admit additional general partners, remove a general partner, or otherwise alter the powers of any general partner.

12.3.4 Franchisee's owner shall not, without Franchisor's prior written consent, transfer, assign, sell, convey, pledge, gift, or otherwise encumber any interest of an owner in Franchisee as shown in Exhibit D.

12.3.5 Franchisee shall not transfer or assign the lease for the Franchised Business or permit a default or surrender of the lease that will or may cause the Franchised Business to be owned, leased, or operated by, any person or entity that will not operate a TruGolf Links Center, without Franchisor's prior written consent.

12.4 Conditions for Approval. No Transfer is permitted or authorized without Franchisor's prior written consent. Franchisor will not unreasonably withhold any consent required by Section 12.3 above; provided, Franchisor may require, among other things, any or all of the following as conditions of Franchisor's consent:

12.4.1 Franchisee and the proposed transferee shall comply with Franchisor's then-current transfer policies. Franchisee and the proposed transferee shall provide Franchisor with all information and documents requested by Franchisor for its evaluation of the proposed transfer, transaction, and transferee, including the business and financial terms of the proposed transaction including the leases and/or any assignments, renewal, or extension of the leases and any necessary landlord consents, financial and operational information regarding the proposed transferee, and evidence of any financing that may be required to complete the transaction and/or fund the transferee's operation after the transfer.

12.4.2 Franchisee and its owners shall execute a general release (which shall include a release from the transferor, Franchisee, Franchisee's owners, and guarantors), in a form satisfactory to

Franchisor, of any and all claims against Franchisor and its affiliates, successors, and assigns, and their respective owners, directors, officers, shareholders, equity holders, partners, agents, representatives, servants, and employees in their corporate and individual capacities including claims arising under this Agreement, any other agreement between Franchisor and Franchisee or their affiliates, and federal, state, and local laws and rules.

12.4.3 The transferee of an owner shall be designated as an owner and each transferee who is designated as an owner shall enter into a written agreement, in a form satisfactory to Franchisor, agreeing to be bound as an owner under the terms of this Agreement as long as such person or entity owns any interest in Franchisee; and, if Franchisee's obligations were guaranteed by the transferor, the owner shall guarantee the performance of all such obligations in writing in a form satisfactory to Franchisor.

12.4.4 Prior to, and after the transfer, the transferee and its owners shall meet Franchisor's educational, managerial, and business standards; each shall possess a good moral character, business reputation, and credit rating; have the aptitude and ability to operate the Franchised Business, as may be evidenced by prior related business experience or otherwise; and have adequate financial resources and capital to operate the Franchised Business. The price, consideration, and other proposed terms of the proposed transfer must not, in Franchisor's reasonable business judgment, have the effect of negatively impacting the future viability of the Franchised Business.

12.4.5 At Franchisor's option, the transferee shall execute the form of franchise agreement then being offered to new franchisees, and such other ancillary agreements required by Franchisor for the business franchised hereunder, which agreements shall supersede this Agreement and its ancillary documents in all respects, and the terms of which may differ from the terms of this Agreement including higher Royalty Fees and Brand Development Fund Contributions, and a different or modified Service Area, provided however that the term of such franchise agreement shall be equal to the then unexpired term of this Agreement.

12.4.6 At Franchisor's option, Franchisee or transferee, at the sole cost and expense of Franchisee or transferee, shall upgrade the Franchised Business to conform to the then-current standards and specifications of new Franchised Business then being established in the System, and shall complete the upgrading and other requirements set forth in this Section 12.4.6 or as required under Section 5.9 above within the time specified by Franchisor.

12.4.7 All of Franchisee's monetary obligations hereunder shall be paid in full on a current basis, and Franchisee must not be otherwise in default of any of Franchisee's obligations hereunder including Franchisee's reporting obligations.

12.4.8 The transferor shall remain liable for all of the obligations to Franchisor in connection with the Franchised Business that arose prior to the effective date of the transfer, and any covenants that survive the termination or expiration of this Agreement and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability.

12.4.9 Transferee and its Operating Principal, and such other owners or managers as specified by Franchisor, shall successfully complete (to Franchisor's satisfaction) all training programs required by Franchisor (including the initial training program) upon such terms and conditions as Franchisor may reasonably require (and while Franchisor will not charge a training fee for attendance at such training programs, the transferee shall be responsible for the salary and all expenses of all persons who attend such training).

12.4.10 To compensate Franchisor for Franchisor's legal, accounting, training, and other expenses incurred in connection with the transfer, Franchisee shall pay Franchisor a non-refundable transfer fee in the amount of Ten Thousand Dollars ($10,000). The transfer fee shall be paid at the earlier of (a) when the transferee signs the new franchise agreement, or (b) when the transferee begins training. The transfer fee is non-refundable. In addition, in the event a proposed transfer is not consummated or closed, for any reason except for disapproval by Franchisor, Franchisee or the proposed transferee shall reimburse Franchisor for all of Franchisor's costs and expenses incurred in connection with Franchisor's evaluation of the proposed transfer, including attorneys' and accountants' fees, background checks, site evaluation, and training, if applicable, to the extent the portion of the transfer fee paid does not cover those costs and expenses.

12.4.11 The transferor must certify to Franchisor that the transferor has provided to the transferee true, complete, and accurate copies of Franchisee's financial information and documents regarding the operation of the Franchised Business, including the trailing two years of financial statements and monthly cash reports, the lease for the Franchised Business premises, contracts, and such other information as may be specified by Franchisor.

12.4.12 The transferor must acknowledge and agree that the transferor shall remain bound by the covenants contained in Section 10 above.

12.5 Transfers to Entities for the Convenience of Ownership. If Franchisee desires to transfer all of Franchisee's interest in this Agreement, or if all of Franchisee's owners desire to transfer all of their ownership interests in Franchisee, to a corporation, limited liability company, or other entity, solely for the convenience of ownership and/or for tax or estate planning reasons, Franchisor shall not unreasonably withhold Franchisor's consent to such transfer, and Franchisor shall not require that Franchisee comply with the provisions and conditions of Section 12.4 or 12.6, if Franchisee complies with all of the following conditions:

12.5.1 Franchisee shall provide written notice to Franchisor not less than thirty (30) days prior to the date of the proposed transfer and shall provide Franchisor with such documents and information as Franchisor may request in support of Franchisee's request, which may include, among other things, entity formation and good standing certifications, evidence of insurance in the name of the new franchisee entity, and bank information for the new franchisee entity.

12.5.2 Franchisee and Franchisee's owners shall own all of the outstanding equity interests in the new franchisee entity and shall own the same percentage ownership interests in the new franchisee entity as they own in Franchisee, and if Franchisee is an individual, Franchisee shall own 100% of the outstanding voting equity interests in the new franchisee entity.

12.5.3 Each owner of the outstanding equity interests in the new franchisee entity shall execute a Guarantee, Indemnification, and Acknowledgement in the form attached as Exhibit E hereto.

12.5.4 Franchisee and Franchisee's owners shall comply with the provisions of Sections 12.4.1, 12.4.2, 12.4.6, 12.4.7, and 12.4.11 of this Agreement, and the new entity and its owners shall comply with Sections 5.26 through 5.30 of this Agreement.

12.5.5 Franchisee and Franchisee's owners shall execute such transfer documents, agreements, and other materials as Franchisor may require.

12.6 Right of First Refusal.

12.6.1 If Franchisee or any owner desires to accept any bona fide offer from a third party to purchase Franchisee, all or substantially all of the assets of the Franchised Business, or any direct or indirect interest in Franchisee, Franchisee or such owner shall promptly notify Franchisor of such offer and shall provide such information and documentation relating to the offer as Franchisor may require. Franchisor shall have the right and option, exercisable within thirty (30) days after receipt of all such information, to send written notice to the seller that Franchisor intends to purchase the seller's interest on the same terms and conditions offered by the third party. If Franchisor elects to purchase the seller's interest, the closing on such purchase shall occur within sixty (60) days from the date of notice to the seller of the election to purchase by Franchisor.

12.6.2 Any change in the terms of the bona fide offer prior to closing shall constitute a new offer subject to the same rights of first refusal by Franchisor as in the case of the third party's initial offer. Franchisor's failure to exercise the option afforded by this Section 12.6 shall not constitute consent to a proposed transfer, a waiver of any other provision of this Agreement, including all of the requirements of this Section 12 with respect to a proposed transfer, or a waiver of any subsequent offer.

12.6.3 In the event the consideration, terms, and/or conditions offered by a third party are such that Franchisor may not reasonably be required to furnish the same consideration, terms, and/or conditions, then Franchisor may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the reasonable equivalent in cash of the consideration, terms, and/or conditions offered by the third party, they must attempt to appoint a mutually acceptable independent appraiser to make a binding determination. If the parties are unable to agree upon one (1) independent appraiser, then an independent appraiser shall be promptly designated by Franchisor and another independent appraiser shall be promptly designated by Franchisee, which two (2) appraisers shall, in turn, promptly designate a third appraiser; all three (3) appraisers shall promptly confer and reach a single determination, which determination shall be binding upon Franchisor and Franchisee. The cost of any such appraisal shall be shared equally by Franchisor and Franchisee. If Franchisor elects to exercise its right under this Section 12.6, Franchisor shall have the right to set off all amounts due from Franchisee, and one-half (½) of the cost of the appraisal, if any, against any payment to the seller.

12.7 Transfer Upon Death. Within six (6) months after Franchisee's death (if a natural person) or the death of an owner of Franchisee, the executor, administrator, or other personal representative of the deceased will transfer the interest of the deceased in this Agreement or Franchisee to a third party approved by Franchisor in accordance with Section 12.4. If no personal representative is designated or appointed and no probate proceedings are instituted with respect to the estate of the deceased, the distributee of the interest of the deceased must be approved by Franchisor. If the distributee is not approved by Franchisor, the distributee will transfer the interest of the deceased to a third party approved by Franchisor within six (6) months after the date of death of the deceased in accordance with Section 12.4.

12.8 Transfer Upon Permanent Disability. Upon Franchisee's permanent disability or the permanent disability of any owner with a controlling interest in Franchisee, Franchisor may require Franchisee's or the owner's interest to be transferred to a third party approved by Franchisor within six (6) months after notice to Franchisee. "Permanent disability" shall mean any physical, emotional, or mental injury, illness, or incapacity that would prevent a person from performing the obligations set forth in this Agreement for at least six (6) consecutive months and from which condition recovery within six (6) consecutive months from the date of determination of disability is unlikely. If Franchisor and Franchisee or Franchisee's representative disagree as to whether a person has a permanent disability, the existence of the permanent disability shall be determined by a licensed practicing physician selected by Franchisor upon examination of such person or, if such person refuses to be examined, then such person shall automatically be deemed permanently disabled for the purposes of this Section 12.8 as of the date of refusal. Franchisor shall pay the cost of the required examination.

12.9 Notification Upon Death or Permanent Disability. Within ten (10) days after the death or permanent disability of Franchisee (if a natural person) or an owner, Franchisee or Franchisee's representative shall notify Franchisor of the death or permanent disability in writing. Any transfer upon death or permanent disability will be subject to the same terms and conditions set out in this Section 12 for any transfer.

12.10 No Waiver of Claims. Franchisor's consent to a transfer which is the subject of this Section 12 shall not constitute a waiver of any claims Franchisor may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.

12.11 Insolvency. If Franchisee or any person holding any interest (direct or indirect) in Franchisee becomes a debtor in a proceeding under the U.S. Bankruptcy Code or any similar law in the U.S. or elsewhere, it is the parties' understanding, intent, and agreement that any transfer in this Agreement, Franchisee, Franchisee's obligations and/or rights hereunder, all or substantially all of the assets of the Franchised Business, or any indirect or direct interest in Franchisee shall be subject to all of the terms of this Section 12.

12.12 Securities Offerings. All materials for an offering of stock or partnership interests in Franchisee or any of Franchisee's affiliates which are required by federal or state law shall be submitted to Franchisor for review as described below before such materials are filed with any government agency. Any materials to be used in any exempt offering shall be submitted to Franchisor for such review prior to their use. No offering by Franchisee or any of Franchisee's affiliates shall imply (by use of the Proprietary Marks or otherwise) that Franchisor is participating in an underwriting, issuance, or offering of the securities of Franchisee or Franchisee's affiliates; and Franchisor's review of any offering shall be limited solely to the relationship between Franchisor and Franchisee and any subsidiaries and affiliates, if applicable, and shall not constitute any opinion as to any legal requirement. Franchisor may, at its option, require the offering materials to contain a written statement prescribed by Franchisor concerning the limitations stated in the preceding sentence. Franchisee (and the offeror if not Franchisee), the owners, and all other participants in the offering must fully indemnify Franchisor, its subsidiaries, affiliates, successor, and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in connection with the offering and shall execute any and all documents required by Franchisor to endorse such indemnification; provided, there will be no indemnification for Franchisor's gross negligence or willful misconduct according to a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction. For each proposed offering, Franchisee shall pay Franchisor a non-refundable fee of Ten Thousand Dollars ($10,000) or such greater amount as is necessary to reimburse Franchisor for its reasonable costs and expenses (including legal and accounting fees) for reviewing the proposed offering. Franchisee shall give Franchisor written notice at least thirty (30) days before the date that any offering or other transaction described in this Section 12 commences. Any such offering shall be subject to all of the other provisions of this Section 12; and further, without limiting the foregoing, it is agreed that any such offering shall be subject to Franchisor's approval as to the structure and voting control of the offeror (and Franchisee, if Franchisee is not the offeror) after the financing is completed.

13. DEFAULT AND TERMINATION

13.1 Automatic Termination. Franchisee shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or make a general assignment for the benefit of creditors; or if a petition in bankruptcy is filed by Franchisee or such a petition is filed against and not opposed by Franchisee; or if Franchisee is adjudicated bankrupt or insolvent; or if a bill in equity or other proceeding for the appointment of a receiver or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; or if a receiver

or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; or if a final judgment of Ten Thousand Dollars ($10,000) or more against Franchisee or Franchisee's affiliate remains unsatisfied or of record for thirty (30) days or longer (unless appealed or a supersedeas bond is filed); or if Franchisee is dissolved; or if an attachment or execution is levied against Franchisee's business or property, including Franchisee's bank accounts, property, or any receivables and is not dismissed within thirty (30) days; or if suit to foreclose any lien or mortgage against the Franchised Business premises or equipment is instituted against Franchisee and not dismissed within five (5) days; or if the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable.

13.2 Termination Upon Notice Without Opportunity to Cure. Franchisee shall be deemed to be in default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon the delivery of written notice to Franchisee by Franchisor (in the manner set forth under Section 20 below), upon the occurrence of any of the following events:

13.2.1 If Franchisee fails to obtain approval of the site for the Franchised Business pursuant to this Agreement or the Site Selection Addendum;

13.2.2 If Franchisee fails to construct, timely open, maintain, repair, or renovate the Franchised Business in accordance with this Agreement or Franchisor's plans and specifications or fails to equip the Franchised Business in accordance with Franchisor's standards and specifications;

13.2.3 If Franchisee, its Operating Principal, or other Principal Trainees fail to complete the initial training program pursuant to Section 5.4 of this Agreement;

13.2.4 If Franchisee at any time without the written consent of Franchisor ceases to operate or otherwise abandons the Franchised Business for three (3) consecutive business days, or loses the right to possession of the Franchised Business premises, or otherwise forfeits the right to do or transact business in the jurisdiction where the Franchised Business is located; provided, however, that if, through no fault of Franchisee, the premises are damaged or destroyed by an event such that repairs or reconstruction cannot be completed within ninety (90) days thereafter, then Franchisee shall have thirty (30) days after such event in which to apply for Franchisor's approval to relocate and/or reconstruct the Franchised Business, which approval shall not be unreasonably withheld;

13.2.5 If Franchisee defaults under any lease or sublease for the Franchised Business (the "Lease") and fails to cure the default within the time period specified in the Lease, or if the Lease is terminated, for any reason, or expires;

13.2.6 If Franchisee, any owner of Franchisee, or any affiliate of Franchisee is convicted of or pleads no contest to a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith, or Franchisor's interest therein;

13.2.7 If Franchisee engages in any conduct or practice that is fraudulent, unfair, unethical, or a deceptive practice;

13.2.8 If a threat or danger to public health or safety results from the construction, maintenance, or operation of the Franchised Business;

13.2.9 If Franchisee or any of Franchisee's owners purports to transfer any rights or obligations under this Agreement or any interest to any third party in a manner that is contrary to the terms of Section 12;

13.2.10 If Franchisee fails to permit an inspection pursuant to Section 5.13 or an audit pursuant to Section 7.4;

13.2.11 If Franchisee fails to comply with the covenants in Section 10.5;

13.2.12 If, contrary to the terms of Sections 9 or 10 above, Franchisee or any individual described in Section 10 discloses or divulges the contents of the Manuals or other Confidential Information;

13.2.13 If Franchisee knowingly maintains false books or records, or submits any false reports (including information provided as part of Franchisee's application for this franchise) to Franchisor;

13.2.14 If Franchisee makes, or has made, any misrepresentation or engaged in any act of fraud in connection with obtaining this Agreement or in conducting the business franchised and licensed under this Agreement;

13.2.15 If Franchisee fails to pay any supplier or vendor when due, and fails to cure such default within the time period specified by the supplier or vendor, or in the applicable supply contract;

13.2.16 If Franchisee fails to pay any third party, including a lender, seller, or lessor of products, services or equipment, any amount due by Franchisee to such parties on any note, financing, obligation, or financial instrument when due, and such failure to pay the full amount owed is not cured after any notice required by the contract or under applicable law;

13.2.17 If Franchisee makes any unauthorized or improper use of the Proprietary Marks, or if Franchisee or any owner of Franchisee fails to utilize the Proprietary Marks solely in the manner and for the purposes directed by Franchisor, or directly or indirectly contests the validity of Franchisor's ownership of the Proprietary Marks or Franchisor's right to use and to license others to use the Proprietary Marks;

13.2.18 If Franchisee fails to submit to Franchisor any financial or other information required under this Agreement;

13.2.19 If Franchisee fails to operate the Franchised Business in accordance with this Agreement, including operating the Franchised Business in compliance with the operating standards and specifications established from time to time by Franchisor as to the quality of service, specifications and use of computer hardware and software, cleanliness, health and sanitation, or if Franchisee receives a failing score on any inspection conducted in accordance with Section 5.13 hereof;

13.2.20 If any other agreement between Franchisee (or any of its affiliates) and Franchisor (or any of its affiliates) is terminated for cause;

13.2.21 If Franchisee fails on more than three (3) or more occasions during any 12-month period to comply with one (1) or more requirements of this Agreement, regardless of whether the prior defaults were cured;

13.2.22 If Franchisee fails to comply with any applicable laws as more specifically set forth in Section 5.25;

13.2.23 If Franchisee, prior to operating the Franchised Business, does not obtain Franchisor's prior written approval of an Operating Principal if (1) Franchisee is not an individual or (2) Franchisee does not participate personally in the direct operation of the Franchised Business;

13.2.24 If the right of Franchisee to possess the Franchised Business premises terminates for any reason whatsoever.

13.3 Termination With Opportunity to Cure. Except as otherwise provided in Sections 13.1 and 13.2 above, upon any other default by Franchisee of Franchisee's obligations hereunder, Franchisor may terminate this Agreement by giving written notice of termination (in the manner set forth under Section 20 below) setting forth the nature of such default to Franchisee at least thirty (30) days prior to the effective date of termination (or, with respect to monetary defaults, five (5) days); provided, however, that Franchisee may avoid termination by immediately initiating a remedy to cure such default, curing it to Franchisor's satisfaction, and by promptly providing proof thereof satisfactory to Franchisor, all within the thirty (30) (or five (5)) day period. If any such default is not cured within the specified time, this Agreement shall terminate without further notice to Franchisee effective immediately upon the expiration of the thirty (30) (or five (5)) day period or such longer period as applicable law may require.

13.4 Extended Notice of Termination. If any law applicable to this Section 13 requires a longer notice period prior to termination of this Agreement, or prior to a refusal to enter into a successor or renewal franchise, than is required hereunder, a different standard of "good cause", or the taking of some other action not required hereunder, the prior notice, "good cause" standard, and/or other action required by such law shall be substituted for the comparable provisions hereof.

13.5 Assignment Upon Bankruptcy. If, for any reason, this Agreement is not terminated pursuant to this Section 13, and the Agreement is assumed, or assignment of the same to any person or entity who has made a bona fide offer to accept an assignment of the Agreement is contemplated, pursuant to the United States Bankruptcy Code, then notice of such proposed assignment or assumption, setting forth: (i) the name and address of the proposed assignee; and (ii) all of the terms and conditions of the proposed assignment and assumption, shall be given to Franchisor within twenty (20) days after receipt of such proposed assignee's offer to accept assignment of this Agreement, and, in any event, within ten (10) days prior to the date application is made to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption, and Franchisor shall thereupon have the prior right and option, to be exercised by notice given at any time prior to the effective date of such proposed assignment and assumption, to accept an assignment of this Agreement to Franchisor upon the same terms and conditions and for the same consideration, if any, as in the bona fide offer made by the proposed assignee, less any brokerage commissions which may be payable by Franchisee out of the consideration to be paid by such assignee for the assignment of this Agreement. In the event Franchisor does not elect to exercise the options described in this Section 13.5, any transfer or assignment pursuant to the United States Bankruptcy Code shall be subject to the same terms and conditions of any other transfer or assignment set forth in Section 12.

13.6 Other Remedies. Franchisor has the right to undertake any one or more of the following actions in addition to, or in lieu of, terminating this Agreement:

13.6.1 Franchisor may require Franchisee to close the Franchised Business and take the necessary steps to bring the Franchised Business (including the operation, maintenance, repair and restoration of the Franchised Business) into strict conformity with Franchisor's standards and specifications and the requirements of this Agreement. Franchisee shall not reopen the Franchised Business until Franchisee has brought it into conformity with Franchisor's standards and specifications;

13.6.2 Franchisor may modify, or eliminate completely, the Service Area described in Section 1.2 above;

13.6.3 Franchisor may elect, but has no obligation, to assume complete operating control and possession of the Franchised Business and operate the same in the capacity of a receiver. Franchisor shall apply funds received from that operation, first to the payment of all of Franchisor's costs and expenses of operation, then to the current obligations of Franchisee to Franchisor or any third party, and then to the past due obligations of Franchisee to Franchisor or any third party, with any remaining funds paid over to Franchisee;

13.6.4 Franchisor may disable access to or remove all or any references to the Franchised Business or webpage(s) of the Franchised Business from the Authorized Website, until such time as the default is fully cured;

If any of such rights, options, arrangements, or areas are terminated or modified in accordance with this Section 13.6, such action shall be without prejudice to Franchisor's right to terminate this Agreement in accordance with Sections 13.2 or 13.3 above, and/or to terminate any other rights, options, or arrangements under this Agreement at any time thereafter for the same default or as a result of any additional defaults of the terms of this Agreement.

14. OBLIGATIONS UPON TERMINATION OR EXPIRATION

14.1 Upon termination or expiration of this Agreement, all rights granted hereunder to Franchisee shall forthwith terminate, and:

14.1.1 Cease Operations. Franchisee shall immediately cease to operate the Franchised Business, and shall not thereafter, directly or indirectly, represent to the public or hold Franchisee out as a present or former franchisee of Franchisor.

14.1.2 Cease Use of System and Proprietary Marks. Franchisee shall immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures, and techniques associated with the System, the mark "TruGolf Links" and all other Proprietary Marks and distinctive forms, slogans, signs, symbols, and devices associated with the System. In particular, Franchisee shall cease to use all signs, advertising materials, displays, stationery, forms, and any other articles that display the Proprietary Marks, remove all such articles and/or permit Franchisor to enter the Franchised Business and remove or permanently cover all signs or advertisements identifiable in any way with Franchisor's name or business, at Franchisee's expense.

14.1.3 Cancellation of Assumed Names. Franchisee shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains the Proprietary Mark "TruGolf Links" and all other Proprietary Marks, and/or any other service mark or trademark, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within five (5) days after termination or expiration of this Agreement.

14.1.4 Pay Monies Owed; Liquidated Damages. Within ten (10) days after the effective date of expiration or termination of this Agreement, or such later date that the amounts due to us are determined, Franchisee shall pay Franchisor all sums and amounts then due to Franchisor or its affiliates. Franchisee shall also pay to Franchisor, in addition to any amounts then due and owing, all damages suffered and expenses incurred by Franchisor as a result of any default, including reasonable attorneys' fees, expenses, and costs, and interest on such attorneys' fees, expenses, and costs. Franchisee acknowledges and agrees that, in the event this Agreement is terminated prior to its expiration due to a

default by Franchisee, such termination will result in lost future revenue and profits to Franchisor, harm to the goodwill associated with the Proprietary Marks, and increased costs to Franchisor to re-develop or re-franchise the Service Area in which the Franchised Business is located. Franchisee further acknowledges and agrees that the actual damages that would be incurred by Franchisor in the event of any early termination of this Agreement would be difficult to calculate or ascertain. Accordingly, if this Agreement is terminated prior to its expiration due to a default by Franchisee, Franchisee will, within ten (10) days after the effective date of such termination, pay Franchisor in a single lump sum payment, as liquidated damages and not as a penalty, an amount equal to the product of the average yearly amount of Royalty Fees paid by Franchisee under Section 3.3 of this Agreement during the three (3) years immediately preceding the termination (or such period as the Franchised Business was open for business, if the Franchised Business was not open for business during the entire three-year period), multiplied by the lesser of (i) three (3) or (ii) the number of years remaining in the Agreement's then-current initial term or renewal term. Franchisee acknowledges and agrees that such amount is considered to be a reasonable, bona fide pre-estimate of damages, which is fair and reasonable under the circumstances, and not a penalty. Franchisee acknowledges and agrees that the liquidated damages specified in this Section 14.1.4 are only intended to compensate Franchisor for the early termination of this Agreement and Franchisor's loss of revenue resulting therefrom, but not for any other breach of this Agreement by Franchisee or any other damages, losses, or expenses incurred by Franchisor, and all other applicable remedies under the law remain available to Franchisor.

14.1.5 Return of Manuals and Other Materials. Franchisee shall immediately deliver to Franchisor the Manuals, plans, specifications, designs, records, data, samples, models, programs, handbooks, and drawings relating to the TruGolf Links brand, System, operations, or business, and all other materials containing Confidential Information (including any copies thereof, even if such copies were made in violation of this Agreement), all of which are acknowledged to be Franchisor's property.

14.1.6 No Confusion. Franchisee agrees that, if it continues to operate or subsequently begins to operate any other business, Franchisee shall not use any reproduction, counterfeit copy, or colorable imitation of the Proprietary Marks, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake, or deception, or which is likely to dilute Franchisor's rights in and to the Proprietary Marks, and further agrees not to utilize any designation of origin, description, trademark, service mark, or representation which suggests or represents a present or past association or connection with Franchisor, the brand, the System, or the Proprietary Marks.

14.1.7 Assign Leases; Modification of Premises. Franchisor shall have the right and option, but not the obligation, to acquire the Leases for the Franchised Business, or otherwise acquire the right to occupy the premises. Franchisor may assign or delegate this right or option to any of Franchisor's affiliates or a third-party designee, without notice to, or request for approval from, the landlord or lessor of the premises. If Franchisor or its assignee or delegatee does not elect or is unable to exercise any option Franchisor may have to acquire the leases or subleases for the premises of the Franchised Business, or otherwise acquire the right to occupy the premises, Franchisee shall make such modifications or alterations to the premises operated hereunder (including the changing of the telephone number) immediately upon termination or expiration of this Agreement as may be necessary to de-identify and distinguish the appearance of said premises from that of other TruGolf Links Centers, and shall make such specific additional changes thereto as Franchisor may reasonably request for that purpose. In addition, Franchisee shall cease use of, and if Franchisor requests shall transfer to Franchisor, all telephone numbers, member or customer "loyalty" lists, and any domain names, websites, e-mail addresses, and any other identifiers, whether or not authorized by Franchisor, used by Franchisor while operating the Franchised Business, and shall promptly execute such documents or take such steps necessary to remove reference to the Franchised Business from all trade or business telephone directories, including "yellow" and "white" pages, or at Franchisor's request transfer same to Franchisor. If Franchisee fails or refuses to comply with the requirements of this Section 14.1.7, Franchisor (or its designee) shall have the right to enter upon the

premises of the Franchised Business, without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required, at Franchisee's expense, which expense Franchisee agrees to pay upon demand.

14.1.8 Option to Purchase Equipment and Furnishings. Franchisor shall have the option, to be exercised within thirty (30) days after expiration or termination of this Agreement, to purchase from Franchisee any or all of the equipment or inventory related to the operation of the Franchised Business, at the lesser of the fair market value or Franchisee's book value. The book value shall be determined based upon a five (5) year straight line depreciation of original costs. For equipment that is five (5) or more years old, the parties agree that fair market value shall be deemed to be ten percent (10%) of the equipment's original cost. If Franchisor elects to exercise any option to purchase herein provided, Franchisor shall set off all amounts due from Franchisee. Notwithstanding any term or provision in this subparagraph to the contrary, Franchisor expressly reserves the right, but not the obligation, to negotiate to purchase the equipment directly from the lessor of the equipment. The transfer of the equipment from Franchisee to Franchisor shall take place within sixty (60) days after the expiration or termination of this Agreement upon receipt of payment or any applicable transfer and release documents from Franchisor; provided, however, that if the transfer cannot take place within that time period because of delays caused by Franchisee's lender or lessor, the time period shall extend by a like number of days. All such equipment and inventory shall be transferred without liens or other encumbrances of any kind and Franchisor shall receive free and clear title. If Franchisor exercises the options contained in Sections 14.1.7 and 14.1.8 of this Agreement, Franchisee shall leave all of the equipment at the Franchised Business in good working order and repair and shall allow Franchisor to use the equipment without charge until the transfer of the equipment takes place.

14.1.9 Damages and Costs. Franchisee shall pay Franchisor all damages, costs, interest, and expenses, including reasonable attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses), incurred by Franchisor subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Section 14.1.

15. TAXES, PERMITS, AND INDEBTEDNESS

15.1 Taxes. Franchisee shall promptly pay when due all taxes levied or assessed, including unemployment and sales taxes, and all accounts and other indebtedness of every kind incurred by Franchisee in the conduct of the Franchised Business. If Franchisee is required to deduct any sales tax, gross receipts tax, income tax, withholding tax, or similar tax from any payment to Franchisor, then, to the extent that Franchisor is not able to successfully obtain and utilize a tax credit from the applicable taxing authorities, the amount payable by Franchisor shall be increased by such amount as is necessary to make the actual amount received (after such withholding tax and after any additional taxes on account of such additional payment) equal to the amount that Franchisor would have received had no tax payment been required, provided that such shortfall is not caused by Franchisor's gross negligence, willful misconduct, or fraud in filing the claims, or for reasons that can be solely attributable to Franchisor.

15.2 Tax Disputes. In the event of any bona fide dispute as to Franchisee's liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law; however, in no event shall Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the premises of the Franchised Business, or any improvements thereon.

15.3 Compliance With Laws. Franchisee shall comply with all applicable federal, state, and local laws, rules, and regulations, including employment, labor, and wage and hour laws, tax laws, and local operating regulations. Franchisee shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the Franchised Business, including licenses to do business, health

certificates, fictitious name registrations, sales tax permits, and fire clearances. To the extent that the requirements of said laws are in conflict with the terms of this Agreement, the Manuals, or Franchisor's other instructions, Franchisee shall: (a) comply with said laws; and (b) immediately provide written notice describing the nature of such conflict to Franchisor.

15.4 Notification of Claims. Franchisee shall notify Franchisor in writing within three (3) days of receipt of notice of any health or safety violation, the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, or within three (3) days occurrence of any accident or injury which may adversely affect the operation of the Franchised Business or Franchisee's financial condition, or give rise to liability or a claim against Franchisee or Franchisor.

16. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

16.1 It is understood and agreed by the parties hereto that this Agreement does not in any way create the relationship of principal, agent, fiduciary, joint venture, joint employer, or employer/employee between Franchisor and Franchisee; that Franchisee shall be an independent contractor; and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, joint employer, partner, employee, or servant of the other for any purpose whatsoever. For the avoidance of doubt, Franchisor is not the employer or joint employer of Franchisee or Franchisee's employees.

16.1.1 Identification as Independent Contractor. At all times during the term of this Agreement and any extensions hereof, Franchisee shall hold itself out to the public as an independent contractor operating the business pursuant to a franchise from Franchisor.

16.1.2 No Agency. Franchisee shall not act or attempt to act or represent itself, directly or by implication, as an agent of Franchisor. It is understood and agreed that nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name; and that Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall Franchisor be liable by reason of any act or omission by Franchisee in Franchisee's conduct of the Franchised Business or for any claim or judgment arising therefrom against Franchisee or Franchisor. Franchisee shall not have the authority, express or implied, to bind or obligate Franchisor in any way.

16.1.3 Indemnification. Franchisee, on behalf of itself, its affiliates, and their respective owners, will, to the fullest extent permissible under applicable law, indemnify, defend and hold harmless Franchisor, its affiliates, and each of their respective owners, officers, directors, members, employees and agents (the "Indemnified Parties") against and reimburse any one or more of the Indemnified Parties for any and all losses, compensatory, exemplary or punitive damages, arbitration costs, mediation costs, settlement amounts, judgments, court costs, fines, charges, costs, and expenses, including, without limitation, reasonable attorneys' fees, and consequential damages (together, "Losses and Expenses") arising out or from or related to, any claims, directly or indirectly, arising out or from or related to the operation of the Franchised Business, any breach of this Agreement or the Manuals, by Franchisee, its affiliates, any of their respective owners, or any breach by Franchisee, its affiliate, or any of their respective owners of any other agreement between Franchisor or its affiliate, on the one hand, and Franchisee, its affiliate, or any of their respective owners, on the other hand. The indemnity set forth above includes claims, directly or indirectly, arising out of, from, or related to the Indemnified Parties' negligence, but not claims caused solely by the Indemnified Parties' gross negligence, fraud, or willful misconduct according to a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction. Franchisor has the right, at its option, to defend any such claim against it at Franchisee's sole cost and expense with counsel of

Franchisor's choosing. If Franchisee defends any claim, it may not enter into any settlement agreement or otherwise resolve or conclude the matter without Franchisor's prior written consent. This indemnity will continue in full force and effect subsequent to, and notwithstanding, the expiration or termination of this Agreement. Under no circumstances will Franchisor or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate its or Franchisee's Losses and Expenses, in order to maintain and recover fully a claim against Franchisee, Franchisee's affiliate, or their respective owners. Any failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts recoverable by Franchisor or another Indemnified Party from Franchisee, Franchisee's affiliate, or their respective owners. Franchisee's obligations under this Section 16.1.3 will survive the expiration or termination of this Agreement.

17. GOVERNING LAW AND DISPUTE RESOLUTION

17.1 Governing Law. This Agreement and the relationship of the parties shall be governed and construed in accordance with the laws of Utah, without regard to its conflicts of laws provisions. Nothing in this Section 17 is intended by the parties to subject this Agreement to any franchise, business opportunity, antitrust, consumer protection, or any other law, rule, or regulation of the State of Utah to which this Agreement would not otherwise be subject.

17.2 Venue. Subject to the terms and provisions of Section 17.3 below, the parties agree that any action brought by one party against the other in any court, whether federal or state, shall be brought only before a federal or state court encompassing Centerville, Utah. The parties agree that this Section 17.2 shall not be construed as preventing either party from removing an action from state to federal court; provided, however, that venue shall be as set forth above. Franchisee and its owners hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

17.3 Arbitration. Except as otherwise provided in this Agreement, any claim, controversy, or dispute arising out of or relating to this Agreement, the Franchised Business, or the relationship created by this Agreement, including any claim by Franchisee or its owners, concerning the entry into, the performance under, or the termination of this Agreement, or any other agreement between the parties or their affiliates will be resolved via binding arbitration under the authority of the Federal Arbitration Act in accordance with the following provisions:

17.3.1 Any arbitration will be administered by the American Arbitration Association (or its successor) pursuant to its then-current commercial arbitration rules and procedures. The arbitrator will have the authority to decide issues regarding arbitrability and the scope of the arbitrator's jurisdiction. The arbitration must take place in the Salt Lake City, Utah metropolitan area (or the metropolitan area in which our headquarters are located at the time of the dispute if we relocate our headquarters from Centerville, Utah).

17.3.2 Any arbitration must be on an individual basis, and not as part of a common, consolidated, or class action. The parties and the arbitrator will have no authority or power to proceed with any claim as a class action or otherwise to join or consolidate any claim with any other claim or any other proceeding involving third parties. If a court determines that this limitation on joinder of or class action certification of claims is unenforceable, then this entire commitment to arbitrate will become null and void and the parties will submit all claims to the jurisdiction of the courts.

17.3.3 The arbitrator must follow the law and not disregard the terms of this Agreement or its related agreements. Except as otherwise provided in this Agreement, the arbitrator will have the authority to award any interim, interlocutory, or final remedy or relief that a court of the State of Utah could order or grant, including, without limitation, general damages, specific performance of any obligation

created under this Agreement, the issuance of an injunction or other extraordinary relief, or the imposition of sanctions for abuse or frustration of the arbitration process; however, the arbitrator may not under any circumstances: (i) stay the effectiveness of any pending termination of this Agreement; (ii) assess punitive or other prohibited damages; or (iii) make an award that extends, modifies, or suspends any lawful term of this Agreement or its related agreements or any reasonable standard of business performance that we set. A judgment may be entered upon the arbitration award by any state or federal court of competent jurisdiction. The decision of the arbitrator will be binding and final on all parties to the dispute.

17.3.4 Except as necessary to obtain interim or provisional relief, to enforce any arbitration award or order, or to comply with any franchise-specific disclosure obligation, the arbitration proceeding and award will be maintained as strictly confidential and neither party hereto nor the arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both parties hereto.

17.3.5 Each party will bear its share of the costs of the arbitration proceeding. The prevailing party to the arbitration will have the right to an award of its reasonable attorneys' fees and costs incurred after the filing of the demand for arbitration. If either Franchisor or Franchisee seeks to enforce this Agreement in any arbitral or other proceeding, the prevailing party will be entitled to recover its reasonable costs and expenses (including reasonable attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses) and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel or living expenses) incurred in connection with such judicial or other proceeding.

17.3.6 This agreement to arbitrate will survive the expiration or termination of this Agreement.

17.4 Injunctive Relief. Notwithstanding anything to the contrary contained in this Section 17, either party may file suit in a court of competent jurisdiction (pursuant to Section 17.2) for the entry of temporary or preliminary injunctive relief, restraining orders, and orders of specific performance, including injunctive relief pertaining to Franchisee's use or misuse of the System, Proprietary Marks, or Confidential Information, or impermissible competition, prior to or after the expiration or termination of this Agreement. The parties hereto agree that seeking and obtaining such relief will not waive the parties' agreements to arbitrate.

17.5 Limitation of Actions. Except with regard to claims related to Franchisee's obligations to make payments to Franchisor pursuant to this Agreement, Franchisee's indemnification obligations, and claims related to unauthorized use of the Proprietary Marks or Confidential Information (all of which claims will be subject only to the applicable state or federal statute of limitations), any and all claims and actions arising out of or relating to this Agreement (including the offer and sale of this Agreement), the Franchise relationship, or Franchisee's operation of the Franchised Business (including any defenses and any claims of set-off or recoupment) shall be irrevocably barred unless brought or asserted before the expiration of the earlier of (A) the time period for bringing an action under any applicable state or federal statute of limitations; (B) one (1) year after the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; or (C) two (2) years after the first act or omission giving rise to an alleged claim.

17.6 Consolidated, Common, or Class Actions. Any lawsuit, arbitration, or action shall be conducted on an individual basis, and not as part of a consolidated, common, or class action, and Franchisee and its owners waive any and all rights to proceed on a consolidated, common, or class basis.

17.7 Waiver of Damages. Except with respect to the exclusions set forth in this Section 17.6, to the fullest extent permitted by applicable law and as provided below, Franchisor, Franchisee, and Franchisee's owners waive to the fullest extent permitted by law any right to or claim of any punitive, exemplary, treble, incidental, indirect, consequential, or other similar damages against Franchisor, Franchisee, any of their respective affiliates, owners, officers, directors, shareholders, partners, agents, representatives, independent contractors, servants, and employees, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort, statutory or otherwise). However, the foregoing waiver will not apply to any claim (a) by any party for attorneys' fees or costs and expenses under this Agreement; (b) for any damages whatsoever, including, without limitation, consequential damages, for adverse harm to the Proprietary Marks or the System; or (c) indemnification and damages for any third-party claims arising under Section 16.1.3. Notwithstanding anything to the contrary in this Agreement, if any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions of limited waiver by agreement of punitive, exemplary, incidental, indirect, or consequential damages will continue in full force and effect.

17.8 Waiver of Jury Trial. The parties hereto irrevocably waive trial by jury in any action, proceeding, or counterclaim in connection with any matter or dispute of any kind arising under or in any way connected with this Agreement or any right or remedy hereunder, whether at law or in equity, brought by either party hereto.

18. TIME IS OF THE ESSENCE

As to all reports and fees payable to or to be made to Franchisor and any inspections initiated by Franchisor under Section 5.14, time shall be of the essence.

19. APPROVALS, WAIVERS, AND BINDING EFFECTS

19.1 Approvals. Whenever this Agreement requires Franchisor's prior approval or consent, Franchisee shall make a timely written request to Franchisor for the approval or consent, which Franchisor shall grant, if at all, only in writing.

19.2 Waivers. Except as set forth in this Agreement, no rights or remedies set forth in this Agreement shall exclude any other right or remedy allowed by law or in equity. No failure by any party to this Agreement to take action on account of any default by any other party, or to exercise any right hereunder, whether in a single instance or repeatedly, shall constitute a waiver of any such default or right or the performance required of such other party. No waiver by a party of any covenant or condition or breach of any covenant or condition of this Agreement shall constitute a waiver of any subsequent breach or nonobservance on any other occasion of the same or any other covenant or condition of this Agreement. Subsequent acceptance by Franchisor of payments due it shall not constitute a waiver by Franchisor of any prior breach.

19.3 Binding Effect; No Other Rights. This Agreement shall bind the parties and their respective executors, administrators, successors, and assigns. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor, and such of the parties' respective successors and assigns as may be contemplated (and, as to Franchisee, permitted) by Sections 12.1 and 12.3 above, any rights or remedies under or by reason of this Agreement.

20. NOTICES

20.1 Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by registered mail, a recognized overnight delivery service (e.g., UPS, FedEx, etc.), or by other means which affords the sender evidence of delivery, or of rejected delivery, to the respective parties at the addresses below, unless and until a different address has been designated by written notice to the other party. Any notice by a means which affords the sender evidence of delivery, or rejected delivery, shall be deemed to have been given at the date and time of receipt or rejected delivery.

Franchisor:	TruGolf Links Franchising, LLC 60 North 1400 West Centerville, Utah 84014 Attn: Nathan Larsen, President n8@trugolf.com
Franchisee:	Franchisee's notice address set forth on Exhibit A to this Agreement

21. FORCE MAJEURE

Neither Franchisor nor Franchisee will be liable for loss or damage or deemed to be in breach of this Agreement if performance is rendered impossible or commercially impractical by a Force Majeure Event (defined below). Any delay resulting from any Force Majeure Event will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable in the judgment of the Party to whom performance is owed, except no Force Majeure Event will operate to excuse Franchisee from the prompt payment of any fee or other amount due to Franchisor or its affiliates under this Agreement. Franchisee or Franchisor will, within five (5) days of the occurrence of the Force Majeure Event, give a written notice to the other party stating the nature of the Force Majeure Event, its anticipated duration, and any action being taken to avoid or minimize its effect. Any suspension of performance will be of no greater scope and of no longer duration than is reasonably required; provided, however, if the suspension of performance continues for ninety (90) days from the date of the occurrence and such failure to perform would constitute an event of default of this Agreement in the absence of such Force Majeure Event, Franchisor may, subject to any applicable franchise relationship law, terminate this Agreement immediately by giving written notice to Franchisee. As used in this Agreement, "Force Majeure Event" means acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire, or other natural catastrophe); strikes, lockouts, or other industrial disturbances; war (declared or undeclared), riot, terrorist act, or other civil disturbances; cybersecurity incidents; epidemics; pandemics; public health emergencies; governmental action; or any other cause that is beyond the reasonable control of the party affected thereby and that materially and adversely affects the ability of such party to perform. Financial inability of a party hereto will not constitute a Force Majeure Event.

22. IMMUNITY FOR CERTAIN LIMITED DISCLOSURES

Notwithstanding anything in this Agreement to the contrary, Franchisee and its affiliates may, in accordance with any applicable law, including the federal Defend Trade Secrets Act, disclose Confidential Information, including Franchisor's trade secrets: (a) in confidence, to federal, state, or local government officials, or to an attorney of Franchisee, for the sole purpose of reporting or investigating a suspected violation of law; or (b) in a document filed in a lawsuit or other legal proceeding, but only if the filing is made under seal and protected from public disclosure. Nothing in this Agreement is intended to conflict with any applicable law or create liability for disclosures expressly allowed by law.

23. ENTIRE AGREEMENT AND AMENDMENT

This Agreement and the exhibits referred to in this Agreement constitute the entire, full, and complete agreement between Franchisor and Franchisee concerning the Agreement's subject matter, and supersede any and all prior or contemporaneous negotiations, discussions, understandings, and agreements. There are no other oral or written understandings or agreements between Franchisor and Franchisee relating to the subject matter of this Agreement. However, and notwithstanding the foregoing, nothing in this Franchise Agreement is intended to disclaim any representations made by Franchisor in the Franchise Disclosure Document that Franchisor furnished to Franchisee, if any. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. The System and Manuals are subject to change by Franchisor at any time, at Franchisor's option.

24. SEVERABILITY; ENFORCEMENT OF COVENANTS; CONSTRUCTION

24.1 Severability. If any of the provisions of this Agreement may be construed in more than one way, one of which would render the provision illegal or otherwise voidable or unenforceable, such provision shall have the meaning which renders it valid and enforceable. The language of all provisions of this Agreement shall be construed according to its fair meaning and not strictly against any party. In the event any court or other government authority shall determine that any provision in this Agreement is not enforceable as written, the parties agree that the provision shall be amended so that it is enforceable to the fullest extent permissible under the laws and public policies of the jurisdiction in which enforcement is sought and affords the parties the same basic rights and obligations and has the same economic effect. If any provision in this Agreement is held invalid or otherwise unenforceable by any court or other government authority or in any other proceeding, such findings shall not invalidate the remainder of the Agreement.

24.2 Enforceability of Covenants. Franchisee agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unenforceable in a final decision to which Franchisor and Franchisee are a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

24.3 Construction. All captions and headings in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision. Each pronoun used in this Agreement shall include the other numbers and genders, as appropriate. The words "include" and "including" will be construed to include the words "without limitation."

25. JOINT AND SEVERAL OBLIGATION

If Franchisee consists of more than one person or entity, each person and entity shall have joint and several liability for Franchisee's obligations under this Agreement.

26. INCORPORATION OF EXHIBITS

All exhibits referred to in this Agreement constitute an integral part of this Agreement.

27. COUNTERPARTS

This Agreement may be executed in any number of counterparts each of which when so executed will be an original, but all of which together will constitute one (1) and the same instrument.

28. SURVIVAL OF PROVISIONS

All provisions of this Agreement which, by their terms or intent, are designed to survive the expiration or termination of this Agreement, shall so survive the expiration and/or termination of this Agreement.

29. REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGMENTS

29.1 Franchisee represents, warrants, and acknowledges to Franchisor as follows:

29.1.1 Modification of Offers. Franchisee understands that present and future franchisees of Franchisor may operate under different forms of agreements and, consequently, the obligations and rights of the parties to those agreements may differ from the obligations and rights contained in this Agreement. Franchisee also acknowledges and agrees that Franchisor may modify the offer of Franchisor franchises to other franchisees in any manner and at any time, which offers and agreements have or may have terms, conditions, and obligations that may differ from the terms, conditions, and obligations in this Agreement.

29.1.2 No Other Obligations. Each party represents and warrants to the others that his/her/its execution of this Agreement and all exhibits and addenda hereto do not violate or breach any other agreement, contract, or covenant to which such party is bound, and further represents and warrants to the other parties that there are no other agreements, court orders, or any other legal obligations that would preclude or in any manner restrict such party from: (a) negotiating and entering into this Agreement; (b) exercising its rights under this Agreement; and/or (c) fulfilling its responsibilities under this Agreement.

29.1.3 Franchised Business Location. Franchisee acknowledges having sole and complete responsibility for the choice of the location of the Franchised Business, and that Franchisor has not (and shall not be deemed to have, even by Franchisor's approval of the location) given any representation, promise, or guarantee of Franchisee's success at the location.

29.1.4 Compliance with Anti-Terrorism Laws and Other Laws. Franchisee and its owners represent and warrant to Franchisor that: (a) neither Franchisee nor any of its owners have made any untrue statement of any material fact nor omitted to state any material fact in Franchisee and their franchise application and other documents and information submitted to Franchisor, or in obtaining the rights granted herein; (b) neither Franchisee nor any of its owners have any direct or indirect legal or beneficial interest in any business that may be deemed a Competitive Business, except as otherwise completely and accurately disclosed in Franchisee's franchise application materials; (c) Franchisee and its owners have a legal right to own and operate the Franchised Business, and the owner or officer that executes this Franchise Agreement on Franchisee's behalf has all legal right an authority to execute on Franchisee's behalf and to legally and contractually bind Franchisee; and (d) neither Franchisee nor its owners (i) have been designated as suspected terrorists under U.S. Executive Order 13244; (ii) is identified, either by name or an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control (texts currently available at https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx /); (iii) have not violated and will not violate any law (in effect now or which may become effective in the future) prohibiting corrupt business practices, money laundering or the aid or support of persons who conspire to commit acts of terror against any person or government, including acts prohibited by the U.S. Patriot Act (text currently available

at http://www.epic.org/privacy/terrorism/hr3162.html), U.S. Executive Order 13244 (text currently available at http://www.treas.gov/offices/enforcement/ofac/sanctions/terrorism.html), the Foreign Corrupt Practices Act, or any similar law. Franchisee has a continuing obligation to advise OBT of any material changes in these statements and representations made to Franchisor in this Agreement or in the franchise application.

30. BUSINESS JUDGMENT

Franchisee understands and agrees that Franchisor may operate and change the System in any manner that is not expressly and specifically prohibited by this Agreement. Whenever Franchisor has expressly reserved in this Agreement or is deemed to have a right and/or discretion to take or withhold an action, or to grant or decline to grant Franchisee a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, Franchisor may make such decision or exercise its right and/or discretion on the basis of Franchisor's sole judgment of what is in the best interest of Franchisor, the System, and the brand overall, including Franchisor, its affiliates, and the franchise network, at the time Franchisor's decision is made or Franchisor's right or discretion is exercised, without regard to whether: (1) other reasonable alternative decisions or actions, or even arguably preferable alternative decisions or actions, could have been made by Franchisor; (2) Franchisor's decision or the action taken promotes Franchisor's financial or other individual interest; (3) Franchisor's decision or the action it takes applies differently to Franchisee and one or more other franchisees or TruGolf Links company-owned or affiliate-owned operations; or (4) Franchisor's decision or the exercise of its right or discretion is adverse to Franchisee's interests. If applicable law implies a covenant of good faith and fair dealing in this Agreement, Franchisor and Franchisee agree that such covenant shall not imply any rights or obligations that are inconsistent with the express wording of the terms of this Agreement and that this Agreement grants Franchisor the right to make decisions, take actions, and/or refrain from taking actions not inconsistent with Franchisee's rights and obligations hereunder.

[Signature Page Follows]

Executed as of the day and year first set forth above.

Franchisor: TruGolf Links Franchising, LLC

By: _____
Name: Dr. Ben Litalien, CFE
Its: Chief Development Officer

Franchisee: _____

By: _____
Name: _____
Its: _____

EXHIBIT A

IDENTIFICATION OF FRANCHISEE

1. Name of Franchisee: _____

2. Type of Entity/State of Formation _____/_____

3. Principal Business Address of Franchisee: _____

_____

E-Mail: _____

4. Notice Address of Franchisee: _____

_____

E-Mail: _____

5. Location of Franchised Business: _____

_____

6. Service Area: _____

(subject to Section 1.2) _____

of the Franchise Agreement) _____

7. Date of Opening: _____

EXHIBIT B

SITE SELECTION ADDENDUM

TruGolf Links Franchising, LLC ("Franchisor"), a Delaware limited liability company, and the undersigned (the "Franchisee") have this ____ day of _____, 20___ (the "Effective Date") entered into a TruGolf Links Franchise Agreement ("Franchise Agreement") and desire to supplement its terms as set out below in this Site Selection Addendum (this "Site Selection Addendum").

Agreement

1. Time to Locate Site: Within one hundred eighty days (180) days after the Effective Date (the "Search Period"), Franchisee shall acquire or lease/sublease, at Franchisee's expense, commercial real estate that is properly zoned for the use of the business to be conducted by Franchisee under the Franchise Agreement (a "Franchised Business") and open and begin operating the Franchised Business at a site consented to by Franchisor as hereinafter provided. Such location shall be within the following area: ____ _____ _____ (the "Site Selection Area"). The Site Selection Area is described solely for the purpose of selecting a site for the Franchised Business. Franchisee shall not establish a TruGolf Links Center operating under the System within the Site Selection Area until Franchisor consents to a location for the Franchised Business. Notwithstanding anything to the contrary in the Franchise Agreement, if a suitable site has not been identified and consented to by the end of the Search Period, Franchisor may, at its option, extend the Search Period by up to sixty (60) days. Franchisee acknowledges and agrees that Franchisor shall have no responsibility for, or liability to Franchisee for, any site review, analysis, evaluation, or recommended undertaken by or on behalf of any real estate broker or advisor used or retained by Franchisee. Failure by Franchisee to acquire or lease an approved site for the Franchised Business within the Search Period shall constitute a default under Section 13 of the Franchise Agreement and under this Addendum, and Franchisor may terminate the Franchise Agreement and this Addendum, pursuant to the terms of Section 13 of the Franchise Agreement.

2. Site Evaluation Services: Franchisor shall furnish to Franchisee suggested site selection criteria, which is currently reflected in advice based on site and demographic factors, and will include Franchisor's minimum standards for a location for the Franchised Business. Franchisor will also provide such site selection counseling and assistance as Franchisor may deem advisable. Franchisor shall perform any on-site evaluation as Franchisor may deem advisable in response to Franchisee's requests for site approval; provided, however, that Franchisor shall not be required to provide on-site evaluation for any proposed site. If on-site evaluation is deemed necessary and appropriate by Franchisor (on its own initiative or at Franchisee's request) for any Franchised business to be established, Franchisee shall reimburse Franchisor for all reasonable expenses incurred by Franchisor in connection with such on-site evaluation, including, without limitation, the cost of travel, lodging, and meals.

3. Additional Site Evaluation Services: Franchisor recommends, but does not require, that Franchisee engage the services of a third-party real estate or site evaluation professional or business, to assist with the analysis and evaluation of a particular site, and/or to utilize competitive sales data from a third-party. Franchisee acknowledges and agrees that any site evaluation model or service is only one tool or factor that may be used to evaluate a potential site, and it is not a predictor of future sales. Further, Franchisee acknowledges that Franchisor does not represent or guarantee that any particular site will achieve any level of sales, revenues or profits.

4. Site Selection Package Submission and Approval: Franchisee shall submit to Franchisor, in the form specified by Franchisor, such site approval forms and data that Franchisor may

specify, which may include a copy of the site plan, financial information, and such other information or materials as Franchisor may reasonably require, together with an option contract, letter of intent or other evidence satisfactory to Franchisor which confirms Franchisee's favorable prospects for obtaining the site. Franchisee acknowledges that time is of the essence. Franchisor shall have thirty (30) days after receipt of a complete site selection package and request for approval and such information and materials as Franchisor may request to approve or disapprove the proposed site in writing as the location for the Franchised Business, at Franchisor's sole option. If Franchisor does not approve a proposed site in writing within such 30-day period, the proposed site will be deemed disapproved.

5. Lease Responsibilities: Within sixty (60) days after site approval by Franchisor, Franchisee shall execute a lease which shall be coterminous with the Franchise Agreement, or a binding agreement to purchase the site. Franchisor's approval of any lease is conditioned upon inclusion in the lease of the Addendum to Lease attached to the Franchise Agreement as Exhibit G. However, Franchisor shall not be responsible for review of the Lease for any terms other than those contained in the Addendum to Lease.

6. Approved Location: After the location for the Franchised Business is consented to by Franchisor pursuant to Section 4 hereof and leased or acquired by Franchisee pursuant to Section 5 hereof, the location shall constitute the approved location described in Section 1.1 of the Franchise Agreement. The Location shall be specified on Exhibit A to the Franchise Agreement, and shall become a part the Franchise Agreement. The Service Area, as defined under Section 1.2 of the Franchise Agreement, shall be the geographic area thereafter described in Exhibit A to the Franchise Agreement, and shall become a part of the Franchise Agreement. Franchisee hereby acknowledges and agrees that consent by Franchisor of a site does not constitute an assurance, representation, or warranty of any kind, express or implied, as to the suitability of the site for the Franchised Business or for any other purpose. Consent by Franchisor of the site indicates only that Franchisor believes the site complies with acceptable minimum criteria established by Franchisor solely for its purposes as of the time of the evaluation. Both Franchisee and Franchisor acknowledge that application of criteria that have been effective with respect to other sites and premises may not be predictive of potential for all sites and that, subsequent to approval by Franchisor of a site and demographic factors, such as competition from other similar businesses, included in or excluded from criteria used by Franchisor could change, thereby altering the potential of a site. Such factors are unpredictable and are beyond the control of Franchisor. Franchisor shall not be responsible for the failure of a site approved by Franchisor to meet Franchisee's expectations as to revenue or operational criteria. Franchisee further acknowledges and agrees that its acceptance of a franchise for the operation of the Franchised Business at the site is based on its own independent investigation of the suitability of the site.

7. Entire Agreement: This Addendum shall be considered an integral part of the Franchise Agreement between the parties hereto, and the terms of this Addendum shall be controlling with respect to the subject matter hereof. All capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Franchise Agreement. Except as modified or supplemented by this Addendum, the terms of the Franchise Agreement are hereby ratified and confirmed.

[Signature Page Follows]

Executed as of the day and year first set forth above.

Franchisor: TruGolf Links Franchising, LLC

By: _____
Name: Dr. Ben Litalien, CFE
Its: Chief Development Officer

Franchisee: _____

By: _____
Name: _____
Its: _____

EXHIBIT C

AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS (DIRECT DEBITS)

The undersigned depositor ("Depositor") hereby authorizes TruGolf Links Franchising, LLC ("Franchisor") to initiate debit entries and/or credit correction entries to the Depositor's checking and/or savings account(s) indicated below and the depository ("Depository") to debit such account pursuant to Franchisor's instructions.

Depository	Branch
Street Address, City, State, Zip Code	
Bank Transit/ABA Number	Account Number

This authority is to remain in full force and effect until Depository has received joint written notification from Franchisor and Depositor of the Depositor's termination of such authority in such time and in such manner as to afford Depository a reasonable opportunity to act on it. Notwithstanding the foregoing, Depository shall provide Franchisor and Depositor with 30 days' prior written notice of the termination of this authority. If an erroneous debit entry is initiated to Depositor's account, Depositor shall have the right to have the amount of such entry credited to such account by Depository, if within 15 calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to such entry or 45 days after posting, whichever occurs first, Depositor shall have sent to Depository a written notice identifying such entry, stating that such entry was in error and requesting Depository to credit the amount thereof to such account. These rights are in addition to any rights Depositor may have under federal and state banking laws.

Depositor

By: _____

Title: _____

Date: _____

EXHIBIT D

STATEMENT OF OWNERSHIP INTERESTS

The following is a list of all of Franchisee's owners, the percentage of their ownership interest and a description of the nature of their ownership interest:

Effective Date: This Exhibit D is current and complete as of _____, 20___

Franchisee and Its Owners

1. Form of Franchisee Entity.

(a) Individual Proprietorship. Franchisee's owner(s) (is) (are) as follows:

_____

_____

_____

(b) Corporation, Limited Liability Company, or Partnership. The Franchisee entity was incorporated or formed on _____, under the laws of the State of _____. It has not conducted business under any name other than the corporate, limited liability company, or partnership name and _____ _____. The following is a list, as applicable, of the Franchisee's partners, directors, officers and/or members as of the effective date shown above:

Name of Each Director/Officer/Member/Manager	Position(s) Held

2. Owners. The following list includes the full name of each person who is one of Franchisee's owners (as defined in the Franchise Agreement), or an owner of one of Franchisee's owners, and fully describes the nature of each owner's interest (attach additional pages if necessary).

	Owner's Name/Address/Tax Identification No.	Percentage/Description of Interest
(a)		
(b)		
(c)		
(d)		

3. Operating Principal. Franchisee's Operating Principal as of the Effective Date is _____ _____ (must be one of the individuals listed in paragraph 2 above). Franchisee may not change the Operating Principal without Franchisor's prior written approval.

Franchisee:

By: _____

Its: _____

Date: _____

EXHIBIT E

GUARANTEE, INDEMNIFICATION, AND ACKNOWLEDGMENT

As an inducement to TruGolf Links Franchising, LLC ("Franchisor") to execute the TruGolf Links Franchise Agreement between Franchisor and _____ ("Franchisee"), dated _____, 20__ (the "Agreement"), the undersigned jointly and severally, hereby unconditionally guarantee to Franchisor and its successors and assigns that all of Franchisee's monetary and other obligations under the Agreement will be punctually paid and performed.

The undersigned each jointly and severally agree to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement and its related agreements. Upon demand by Franchisor, the undersigned each hereby jointly and severally agree to immediately make each payment required of Franchisee under the Agreement and waive any right to require Franchisor to: (a) proceed against Franchisee for any payment required under the Agreement; (b) proceed against or exhaust any security from Franchisee; (c) pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee; or (d) give notice of demand for payment by Franchisee. Without affecting the obligations of the undersigned under this Guarantee, Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust, or compromise any claims against Franchisee, and the undersigned each hereby jointly and severally waive notice of same and agree to remain and be bound by any and all such amendments and changes to the Agreement.

The undersigned each hereby jointly and severally agree to defend, indemnify, and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorney's fees, reasonable costs of financial and other investigation, court costs, and fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Agreement, any amendment thereto, or any other agreement executed by Franchisee referred to therein.

The undersigned each hereby jointly and severally acknowledge and expressly agree to be individually bound by, and personally liable for the breach of, all of the covenants and obligations contained in Sections 8, 9, 10, 12, 14, and 17 of the Agreement (provided only those guarantors that directly or indirectly hold an ownership interest in Franchisee make, and are individually bound by, the non-compete covenants set forth in Sections 10.5.2 and 10.6 of the Agreement), and acknowledge and agree that this Guarantee does not grant the undersigned any right to use the "TruGolf Links" Marks or System licensed to Franchisee under the Agreement.

This Guarantee shall terminate upon the termination or expiration of the Agreement, except that all obligations and liabilities of the undersigned which arose from events which occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration or termination of the Agreement shall remain in force according to their terms. Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guarantee, but only for defaults and obligations hereunder existing at the time of death; and the obligations of the other guarantors will continue in full force and effect.

If Franchisor is required to enforce this Guarantee in a judicial or arbitration proceeding, and prevails in such proceeding, Franchisor shall be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators', and expert witness fees, costs, and expenses, costs of investigation and proof of facts, court costs, other litigation expenses, travel and living expenses, and interest, whether incurred prior to, in preparation for, or in

contemplation of the filing of any such proceeding. If Franchisor is required to engage legal counsel in connection with any failure by the undersigned to comply with this Guarantee, the undersigned shall reimburse Franchisor for any of the above-listed costs and expenses Franchisor incurs.

Subject to the obligations and provisions below, each of the undersigned agrees that all actions arising under this Guarantee or the Agreement, or otherwise as a result of the relationship between Franchisor and the undersigned, shall be governed by the provisions of Section 17 of the Agreement, and must be arbitrated in the Salt Lake City, Utah metropolitan area (or the metropolitan area in which our headquarters are located at the time of the dispute if we relocate our headquarters from Centerville, Utah) or litigated in the state or federal court encompassing Centerville, Utah, in accordance with Section 17 of the Agreement, and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that Franchisor may enforce this Guarantee and any orders and awards in the courts of the state or states in which he or she is domiciled.

Unless specifically stated otherwise, the terms used in this Guarantee shall have the same meaning as in the Agreement, and shall be interpreted and construed in accordance with Section 17 of the Agreement. This Guarantee shall be interpreted and construed under the laws of the State of Utah. In the event of any conflict of law, the laws of the State of Utah shall prevail (without regard to, and without giving effect to, the application of Utah conflict of law rules).

IN WITNESS WHEREOF, each of the undersigned has signed this Guarantee as of the date of the Agreement.

GUARANTOR(S)

Signed:_____
(In his/her individual capacity)

Name:_____

Address:_____

_____

Signed:_____
(In his/her individual capacity)

Name:_____

Address:_____

_____

Signed:_____
(In his/her individual capacity)

Name:_____

Address:_____

EXHIBIT F

NON-DISCLOSURE AGREEMENT

THIS NON-DISCLOSURE AGREEMENT ("Agreement") is made this ___ day of _____, 20___, by and between _____ (the "Franchisee"), and _____, who is an owner, manager, supervisor, member, partner, or a person in a managerial position with, Franchisee (the "Obligee").

BACKGROUND:

A. TruGolf Links Franchising, LLC ("Franchisor"), as the result of the expenditure of significant time, skill, effort, and money, has developed a distinctive and proprietary system (the "TruGolf Links System" or "System") for establishing and operating businesses that provided dedicated indoor facilities featuring a wide variety of activities including open play, lessons, leagues, tournaments, clinics, and special events, and which locations feature indoor facilities, a retail pro shop with a variety of -related items for sale, ready-to-eat food and beverages, and event space;

B. Franchisor and Franchisee have executed a Franchise Agreement ("Franchise Agreement") granting Franchisee the right to operate one (1) TruGolf Links Center (the "Franchised Business") and to produce and distribute products and services approved by Franchisor and use the Proprietary Marks in connection therewith under the terms and conditions of the Franchise Agreement;

C. The Obligee, by virtue of his or her position with Franchisee, will gain access to certain of Franchisor's Confidential Information, as defined herein, and must therefore be bound by the same confidentiality agreement that Franchisee is bound by.

IN CONSIDERATION of these premises, the conditions stated herein, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

1. Confidential Information. Obligee shall not, during the term of the Franchise Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, entity, association, or corporation any confidential information, trade secrets, knowledge, or know how concerning the methods of operation of the Franchised Business which may be communicated to Obligee or of which Obligee may be apprised by virtue of Franchisee's operation under the terms of this Agreement. Any and all information, knowledge, know how, and techniques which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Obligee can demonstrate came to its attention prior to disclosure thereof by Franchisor; or which, at or after the time of disclosure by Franchisor to Franchisee, had become or later becomes a part of the public domain, through publication or communication by others. Notwithstanding any other provision of this Agreement, there may be certain, limited circumstances where applicable law allows for the disclosure of certain trade secrets, as specified in the Manuals.

2. Injunctive Relief. Obligee acknowledges that any failure to comply with the requirements of this Agreement will cause Franchisor irreparable injury, and Obligee agrees to pay all court costs and reasonable attorney's fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Agreement.

3. Severability. All agreements and covenants contained herein are severable. If any of them, or any part or parts of them, shall be held invalid by any court of competent jurisdiction for any reason,

then the Obligee agrees that the court shall have the authority to reform and modify that provision in order that the restriction shall be the maximum necessary to protect Franchisor's and/or Franchisee's legitimate business needs as permitted by applicable law and public policy. In so doing, the Obligee agrees that the court shall impose the provision with retroactive effect as close as possible to the provision held to be invalid.

4. Delay. No delay or failure by Franchisor or the Franchisee to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right provided herein, and no waiver of any violation of any terms and provisions of this Agreement shall be construed as a waiver of any succeeding violation of the same or any other provision of this Agreement.

5. Jurisdiction, Venue, and Choice of Law. This Agreement shall be interpreted and construed in accordance with, and any disputes arising under or in connection with this Agreement will be governed by, with the laws of the State of Utah, without regard to its conflicts of laws provisions. The parties agree that an action arising out of, related to, or seeking to enforce this Agreement may be brought in federal or state court encompassing Centerville, Utah, and the parties expressly consent to and waive any objections or challenges to personal jurisdiction and venue in such court.

6. Third-Party Beneficiary. Obligee hereby acknowledges and agrees that Franchisor is an intended third-party beneficiary of this Agreement with the right to enforce it, independently or jointly with Franchisee.

IN WITNESS WHEREOF, the Franchisee and the Obligee attest that each has read and understands the terms of this Agreement, and voluntarily signed this Agreement on this ____ day of _____ _____, 20___ .

FRANCHISEE	OBLIGEE
_____	_____
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

EXHIBIT G

ADDENDUM TO LEASE

THIS ADDENDUM TO LEASE is made and entered into as of _____, 20__ by and among _____ (the "Landlord"), _____ (the "Tenant"), and TruGolf Links Franchising, LLC, a Delaware limited liability company ("Franchisor," "we," "us" or "our").

RECITALS:

A. This Addendum to Lease supplements and forms part of the attached Lease Agreement between the Landlord and the Tenant dated _____ (the "Lease") for the premises situated at the premises known by street address as _____ _____ (the "Premises") to be used by the Tenant as part of a TruGolf Links Center ("TruGolf Links Center").

B. This Addendum to Lease is entered into in connection with Franchisor's approval of the location of the Premises as a TruGolf Links Center and the grant of a franchise to the Tenant pursuant to a Franchise Agreement dated _____, 20__ (the "Franchise Agreement").

C. This Addendum to Lease is intended to make Franchisor, or any party it designates, a third-party beneficiary to the Lease and to provide Franchisor the opportunity to reserve the Premises as a TruGolf Links Center under the circumstances set out below.

D. The Landlord agrees that Franchisor shall have the right but not the obligation to 1) cure defaults of Tenant and 2) to assume the Lease of the Premises on the terms, covenants and conditions contained in this Addendum to Lease.

THE PARTIES HEREBY AGREE:

1. UPON DEFAULT OF TENANT UNDER THE LEASE

1.1 The Landlord agrees to send to us copies of any notices of default that are given to the Tenant concurrently with the giving of such notices to the Tenant. Our current notice address is TruGolf Links Franchising, LLC, 60 North 1400 West, Centerville, Utah 84014, Attn: Nathan Larsen, President. If the Tenant fails to cure any defaults within the period specified within the notices, the Landlord shall promptly give to us further written notice ("second notice") specifying the defaults that the Tenant has failed to cure. We shall have forty-five (45) days following receipt of the second written notice to a) cure the default or b) to exercise our right to enter a new Lease on the same terms as apply to the Lease or Deed of Lease by written notice to the Landlord and the Tenant. In the event that we do exercise the right to enter into a new Lease, then the circumstances described in clause 1.2 below shall apply.

1.2 We shall begin paying rent upon the Landlord delivering possession of the Premises to us pursuant to Section 1.1 above.

2. UPON TERMINATION OF THE FRANCHISE AGREEMENT

If the Franchise Agreement is terminated for any reason or expires during the term of the Lease or any extension or renewal of the Lease, and if we shall desire to assume the Lease, we shall promptly give the Landlord written notice to this effect.

3. UPON NON-RENEWAL OF THE LEASE TERM

If the Lease contains term renewal or extension right(s) and if the Tenant allows the term to expire without exercising such right(s), the Landlord shall give us written notice to this effect and we shall have the option for thirty (30) days following receipt of such notice to exercise the Tenant's renewal or extension right(s) on the same terms and conditions as are contained in the Lease. If we elect to exercise such right(s) we shall notify the Landlord in writing whereupon we and the Landlord shall promptly execute and exchange an agreement whereby we assume the Lease effective at the date of termination of any holding over period by the Tenant to the effect that such extension or renewal term shall have subtracted from it the number of days constituting such holding over period.

4. ADDITIONAL PROVISIONS

4.1 The Tenant agrees that termination of the Franchise Agreement shall be a default under the Lease. In the event of termination of the Franchise Agreement, or if the Tenant fails to timely cure any defaults under the Lease, the Tenant shall within ten (10) days after written demand by us, assign all of its right, title and interest in and to the Lease to us. If the Tenant fails to do so within ten (10) days, the Tenant hereby designates us as its agent to execute any and all documents, agreements and to take all action as may be necessary or desirable to effect the assignment of the Lease and the relinquishment of any and all of the Tenant's rights thereunder. The Landlord hereby consents to such assignment subject to us executing an assignment of the Lease. The Tenant further agrees to promptly and peaceably vacate the Premises and to remove its personal property at our written request. Any property not so removed by the Tenant within ten (10) days following receipt of such written request shall be deemed abandoned by the Tenant and immediately and permanently relinquished to us. We acknowledge that where we enter into an assignment or sub-letting as referred to in clause 4.4 below we will attempt to procure, if the assignee is a company (other than a listed public company) a Deed of Guaranty, Indemnification, and Acknowledgement in customary form approved or prepared by the landlord from the principal shareholders of the assignee company and (if required by the landlord) by the Directors of the assignee company.

4.2 The Tenant shall be and remain liable to the Landlord for all of its obligations under the Lease, notwithstanding any assignment of the Lease to us. We shall have no obligation, as a condition to assume the Lease, to pay any delinquent rent or to cure any other default under the Lease that occurred or existed prior to the date of the assignment. We shall be entitled to recover from the Tenant all amounts it pays to the Landlord to cure the Tenant's defaults under the Lease including interest thereon and our reasonable collection costs.

4.3 After we assume the Tenant's interest under the Lease, we may, at any time, sublet the Premises without having to obtain the prior written consent of the Landlord.

4.4 After we assume the Tenant's interest under the Lease, we may, at any time, assign or sublet our interest under the Lease to a third party, which may or may not be an operator of a TruGolf Links Center, but only with the prior written consent of the Landlord and the usual provisions of the Lease concerning consent shall apply. Upon receipt by the Landlord of an assignment agreement pursuant to which the assignee agrees to assume the Lease and to observe the terms, conditions and agreements on the part of the tenant to be performed under the Lease, we shall thereupon be released from all liability as tenant under the Lease from and after the date of assignment, without any need of a written acknowledgment of such release by the Landlord.

4.5 If the Lease or Franchise Agreement is terminated and we elect not to exercise our option as described above, the Tenant agrees, upon written demand by us, to de-identify the Premises as a TruGolf Links Center and to promptly remove signs, decor and other items which we reasonably request be removed

as being distinctive and indicative of a TruGolf Links Center. We may enter upon the Premises without being guilty of trespass or tort to effect de-identification if the Tenant fails to do so within ten (10) days after receipt of written demand from us, following termination of the Franchise Agreement or Lease. The Tenant shall pay us for our reasonable costs and expenses in effecting the de-identification. The Landlord shall not be obligated to us for such costs unless the Landlord and the Tenant share one (1) or more common owners, partners, beneficiaries or shareholders (as the case may be). The Tenant agrees and accepts that its obligations to the Landlord in respect to the provisions of the Lease concerning the removal of signage and additions and alterations at the termination of the Lease subsist notwithstanding the right made available to us pursuant to this clause.

4.6 BY EXECUTING THIS ADDENDUM TO THE LEASE, WE DO NOT ASSUME ANY LIABILITY WITH RESPECT TO THE PREMISES OR ANY OBLIGATION AS TENANT UNDER THE LEASE UNLESS AND UNTIL WE EXPRESSLY ASSUME SUCH LIABILITY AND/OR OBLIGATION AS DESCRIBED ABOVE BY EXECUTING A NEW LEASE.

4.7 All notices pursuant to this Addendum to Lease shall be in writing and shall be personally delivered, sent by registered mail or reputable overnight delivery service or by other means which afford the sender evidence of delivery or rejected delivery to the addresses below or to such other address as any party to this Addendum to Lease may, either by written notice, instruct that notices be given.

EXECUTED by the parties as follows:

SIGNED by _____
as Landlord by its _____
in the presence of: _____
(Name of Signatory)
Title:_____

SIGNED by _____
as Tenant by its _____
in the presence of: _____
(Name of Signatory)
Title: _____

SIGNED by TruGolf Links Franchising, LLC
by its duly authorized officer in the _____
presence of:
(Name of Signatory)
Title: _____

Addresses for Notices:

Landlord:
_____
_____

Tenant:
_____
_____
_____

EXHIBIT D
TO THE FRANCHISE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDA

CALIFORNIA

1. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the Disclosure Document.

2. Neither the franchisor, nor any person or franchise broker identified in Item 2 of this Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling the person from membership in the association or exchange.

3. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

4. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law. (11 U.S.C.A. Sec. 101 et seq.)

5. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

6. The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

7. The Franchise Agreement requires binding arbitration. The arbitration will occur the Salt Lake City, Utah metropolitan area, with each party paying their own costs, plus one-half the arbitrator's fees.

8. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professional Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement restricting venue to a forum outside the state of California.

9. The Franchise Agreement requires application of the laws of Utah. This provision may not be enforceable under California Law.

10. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

11. You must sign a general release of claims if you renew or transfer your franchise. California corporations code §31512 voids a waiver of your rights under the franchise investment law (California corporations code §§31000 through 31516). Business and professions code §20010 voids a waiver of your rights under the franchise relations act (business and professions code §§20000 through 20043).

12. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

13. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.

14. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

15. California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

{See the last page of this Exhibit D for your Signature.}

HAWAII

1. Release. The language contained in Section 2.2.7 of the Franchise Agreement is hereby deleted in its entirety and the following is substituted in its place:

   Franchisee and Franchisor shall execute a mutual general release, in a form prescribed by Franchisor, of any and all claims which each may have against the other and their affiliates (except as to amounts then due to Franchisor for royalties, advertising contributions, materials, and the like), and their respective shareholders, directors, employees, and agents in their corporate and individual capacities, excluding only such claims as each may have that arise under the Hawaii Franchise Investment Law.

2. Conditions for Approval of Transfer. The language contained in Section 12.4 of the Franchise Agreement is hereby deleted in its entirety and the following is substituted in its place:

   Franchisor and the transferor shall have executed a mutual general release, in a form prescribed by Franchisor, of any and all claims which each may have against the other and their affiliates, and their respective shareholders, directors, employees, and agents in their corporate and individual capacities, excluding only such claims as each may have that arise under the Hawaii Franchise Investment Law.

3. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

4. **THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING. THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE. THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

{See the last page of this Exhibit D for your Signature.}

ILLINOIS

In recognition of the Illinois Franchise Disclosure Act and the Rules and Regulations promulgated thereunder, the Disclosure Document and Franchise Agreement shall be modified as follows:

1. Illinois law shall apply to and govern the Franchise Agreement.

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

3. Franchisees' right upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

{See the last page of this Exhibit D for your Signature.}

INDIANA

It is unlawful for any franchise agreement between any franchisor and a franchisee who is a resident of Indiana or a non-resident who is to operate the franchise in Indiana to contain a provision that requires a franchisee not to compete with the franchisor in an area greater than the exclusive territory granted in the franchise agreement or, if no exclusive territory is granted, in an area of more than reasonable size, upon Termination of a franchise agreement. (Ind. Code § 23-2-2.7-1(9)). Accordingly, the Franchise Agreement and Item 17 of the Disclosure Document are amended to apply to the area within a 2-mile radius of the TruGolf Links Center.

The Franchise Agreement requires binding arbitration. The arbitration will occur in a state other than Indiana, with costs being borne by the non-prevailing party. The provision concerning the place where arbitration will occur is deleted from the Franchise Agreement.

The Franchise Agreement requires application of the laws of another state. This provision is deleted from the Indiana Franchise Agreement.

Item 17 of the Disclosure Document, Sections (u), (v), and (w), is amended to omit any reference to selection of an out-of-Indiana forum or choice of law.

The Franchise Agreement requires you to sign a general release of claims as a condition of renewing or reselling the franchise. Under the law of Indiana any provision that purports to bind a person acquiring a franchise to waive compliance with the franchise laws of Indiana is void. The Franchise Agreement and Item 17 of the Disclosure Document, Sections (b) (renewal) and (k) (transfer) are amended to omit the requirement that an Indiana franchisee sign a general release of claims as a condition of renewal or resale. This will not prevent Franchisor from requiring you to sign a general release of claims as part of a settlement of a dispute.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MARYLAND

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the Disclosure Document shall be modified as follows:

Item 17 of the Disclosure Document provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A Sec. 101 et seq.).

Item 17 of the Disclosure Document is amended to state "The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

Item 17 of the Disclosure Document is amended to state "Any claim arising under the Maryland Franchise and Disclosure Law must be brought within 3 years after the grant of the franchise."

Item 17(v) of the Disclosure Document is amended to state "A Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law."

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the Franchise Agreement shall be modified as follows:

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

Any claim arising under the Maryland Franchise and Disclosure Law must be brought within three (3) years after the grant of the franchise.

The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Any provision contained in the Franchise Agreement that requires the Franchisee to assent to a release, estoppel, or waiver of liability is not intended to nor shall it act as a release estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

{See the last page of this Exhibit D for your Signature.}

MINNESOTA

We will comply with Minnesota Statute 80C.14 subdivisions 3, 4, and 5, which require (except in certain specific cases) that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement, and that consent to transfer of the franchise will not be unreasonably withheld.

Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400(J) may prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. Notwithstanding the foregoing, this shall not bar enforcement of an arbitration clause.

In accordance with Minnesota Rule 2860.4400(J), to the extent required by law, the Disclosure Document and Franchise Agreement are modified so that we cannot require you to waive your rights to a jury trial or to consent to liquidated damages, termination penalties, or judgment notes.

Minnesota Rule 2860.4400(D) prohibits us from requiring you to assent to a general release of liability imposed by Minn. Stat. Chapter 80C; provided, this shall not bar the voluntary settlement of disputes. The Disclosure Document and Franchise Agreement are modified accordingly, to the extent required by Minnesota law.

Pursuant to Minn. Stat. Sec. 80C.12, Subd. 1(g), Minnesota considers it unfair not to protect the franchisee's right to use the trademarks. To the extent required by Minnesota law, we will protect your right to use the primary trademark, service mark, trade name, logotype, or other commercial symbol from third parties or will indemnify you from any loss, costs, or expenses arising out of any third-party claim, suit, or demand regarding your use of our primary trade name in accordance with the requirements of the Franchise Agreement and our standards.

Pursuant to Minn. Stat. Sec. 80C.17, Subd. 5, to the extent required by law, the Franchise Agreement and Item 17 of the Disclosure Document are amended to state that no action may be commenced pursuant to Minn. Stat. Sec. 80C.17 more than three years after the cause of action accrues.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

{See the last page of this Exhibit D for your Signature.}

NEW YORK

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

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

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

   Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

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

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

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

   D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

   However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee": You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum", and Item 17(w), titled "Choice of law":

   The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

6. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

NORTH DAKOTA

Item 17(c) Disclosure Document and Section 2.2.7 of the Franchise Agreement, which require you to sign a general release upon renewal of the franchise, may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby amended to the extent required by law.

Item 17(i) of the Disclosure Document and Section 14 of the Franchise Agreement, which require you to consent to termination or liquidated damages, may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby amended to the extent required by law.

Item 17(r) of the Disclosure Document and Section 10.6 of the Franchise Agreement restricting competition are generally considered unenforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby amended to the extent required by law.

Item 17(u) of the Disclosure Document and Section 17 of the Franchise Agreement requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby amended to the extent required by law. The site of arbitration or mediation must be agreeable to all parties.

Item 17(v) of the Disclosure Document and Section 17.2 of the Franchise Agreement requiring franchisee to consent to resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and such requirement is hereby deleted to the extent required by law. Any litigation under the agreement shall be conducted in North Dakota or a mutually agreed upon location. The provisions of this paragraph are subject to the United States Arbitration Act (9 U.S.C. § 1 et seq.).

Item 17(w) of the Disclosure Document and Section 17.1 of the Franchise Agreement relating to choice of law may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby amended to the extent required by law.

Any provisions in the Franchise Agreement which require the franchisee to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby amended to the extent required by law.

Sections of the Disclosure Document and Section 17.5 of the Franchise Agreement requiring the franchisee to consent to a limitation of claims within one year may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby amended to the extent required by law.

Sections of the Disclosure Document and Section 17.7 of the Franchise Agreement requiring the franchisee to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby amended to the extent required by law.

Any provisions in the Franchise Agreement which stipulate that the franchisee shall pay all costs and expenses incurred by the franchisor in enforcing the agreement, which may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, are hereby amended to the extent required by law. The prevailing party in any enforcement action is entitled to recover costs and expenses including attorney's fees.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any

statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

{See the last page of this Exhibit D for your Signature.}

RHODE ISLAND

The Rhode Island Securities Division requires the following specific disclosures to be made to prospective Rhode Island franchisees:

> § 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Act."

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

SOUTH DAKOTA

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Disclosure Document for TruGolf Links Franchising, LLC for use in the Commonwealth of Virginia is amended as follows:

> Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.
>
> Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, AND RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. Site of Arbitration, Mediation, and/or Litigation. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. General Release. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. Statute of Limitations and Waiver of Jury Trial. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. Transfer Fees. Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise

agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. Waiver of Exemplary & Punitive Damages. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. Franchisor's Business Judgement. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. Noncompetition Covenants. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. Nonsolicitation Agreements. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. Questionnaires and Acknowledgments. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

{See the last page of this Exhibit D for your Signature.}

WISCONSIN

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Disclosure Document and Franchise Agreement are amended accordingly.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ACKNOWLEDGMENT:

If any one of the preceding State Specific Addenda ("Addenda") is checked as an "Applicable Addenda" below or if the jurisdictional requirements for application of one of the following State's franchise sales law is independently satisfied, then that Addenda will be incorporated into the Disclosure Document and/or, if applicable as indicated in such Addenda, the Franchise Agreement and any other specified agreement(s) entered into by us and the undersigned Franchisee. To the extent any terms of an Applicable Addenda conflict with the terms of the Disclosure Document or, as applicable, Franchise Agreement or other specified agreement(s), the terms of the Applicable Addenda will supersede the terms of the Disclosure Document or, as applicable, Franchise Agreement or other specified agreement(s).

□ California	□ New York
□ Hawaii	□ North Dakota
□ Illinois	□ Rhode Island
□ Indiana	□ Virginia
□ Maryland	□ Washington
□ Minnesota	□ Wisconsin

FRANCHISOR:

TRUGOLF LINKS FRANCHISING, LLC

By: _____
Title: Authorized Signatory

FRANCHISEE

_____

By: _____

Title: _____

By: _____

Title: _____

EXHIBIT E
TO THE FRANCHISE DISCLOSURE DOCUMENT

LISTS OF CURRENT AND FORMER FRANCHISEES, AND CURRENT REGIONAL DEVELOPERS

LIST OF CURRENT FRANCHISEES
AS OF DECEMBER 31, 2024

None

FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED
AS OF DECEMBER 31, 2024

FRANCHISEE/OWNER	CITY	STATE	PHONE
Nick Reimondo	Princeton	NJ	917-584-3381

LIST OF FORMER FRANCHISEES
AS OF DECEMBER 31, 2024

None

TRANSFERS
AS OF DECEMBER 31, 2024

None

LIST OF CURRENT REGIONAL DEVELOPERS
AS OF DECEMBER 31, 2024

None

EXHIBIT F
TO THE FRANCHISE DISCLOSURE DOCUMENT

FORM OF GENERAL RELEASE

FORM OF GENERAL RELEASE

The Franchisee, on behalf of itself and its subsidiaries, affiliates, heirs, successors and assigns, hereby releases and discharges any and all liabilities, obligations or claims, whether known or unknown, including without limitation, any claimed violation or breach of the Franchise Agreement or federal or state laws, including franchise investment laws, against TruGolf Links Franchising, LLC ("Franchisor"), including its current and former parents, officers, directors, limited liability company managers, employees, subsidiaries or affiliates, and any and all of its respective past and present representatives. The Franchisee realizes the facts as presently known or understood to exist with respect to any known or unknown claims it may have against Franchisor may, in fact, be either incorrect or incomplete, or both. Notwithstanding such possibility, the Franchisee freely enters into this Agreement and assumes all risks of any such possibility and waives any rights whatsoever to attack the validity and finality of this Agreement even if the present knowledge and understanding of the facts on the part of the Franchisee is in any way incorrect. The Franchisee expressly waives any and all rights and benefits against Franchisor conferred upon themselves by the provisions of Section 1542 of the California Civil Code. Section 1542 of the California Civil Code reads as follows:

> **A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.**

EXHIBIT G
TO THE FRANCHISE DISCLOSURE DOCUMENT

MANUAL TABLE OF CONTENTS

Table of Contents

Brand Standards Manual 1

Preface 6

Introduction 6

Confidentiality 6

Keeping the Brand Standards Manual Current 7

Nondisclosure Agreement 8

Welcome 10

Introduction 11

The TruGolf Links Story 11

Leadership Team 12

Mission, Vision, and Values 17

Mission 17

Vision 17

Core Values 18

The TruGolf Links 19

The Franchise Brand 19

The Franchise Strategy 19

The Franchise Relationship 20

Overview 20

Franchisor/Franchisee Relationship 20

Franchise Compliance 21

Protecting the Network 21

Dealing with Issues 22

Marketing 22
Insurance Requirements 23
Taxes 24
Reporting and Data Management 25
Monthly Royalty Reports 25
Monthly Brand Fund Reports 25
Monthly Profit and Loss Reports 25
Quarterly Compliance Reports 26
Franchise Value Proposition 27
Marketing 28
Public Relations Support 28
National Brand Fund 29
Technology 30
Operating Systems 30
Training 33
Franchise Training 33
Initial Training 34
Learning Management System 34
Operations 36
Court Information and Resources 36
Pre-Opening 37
Franchise Opening Support 38
Ongoing Services and Support 38
Facility Procedures 40
Staffing 47
Legal / Insurance 65
Finance / Accounting 65

Membership Services 65
Technology 65
Marketing 66
Sales 66
Addendums 69
Addendum 0 69
Nondisclosure Agreement 69
Addendum 1 72
Addendum 2 75
Franchise Value Proposition 75
Addendum 3 76
Design Development 76
Addendum 4 79
Project Management 79
Addendum 5 82
Code of Conduct 82
Addendum 6 83
Vendor List 83
Addendum 8 85
Franchise Support 85

EXHIBIT H
TO THE FRANCHISE DISCLOSURE DOCUMENT

EXECUTIVE ADDENDUM

"TRUGOLF LINKS" EXECUTIVE ADDENDUM
TO FRANCHISE AGREEMENT

THIS ADDENDUM ("Addendum") to the Agreement (defined below) is made and entered into as of _____ ("Effective Date") by and between **TRUGOLF LINKS FRANCHISING, LLC** ("Franchisor") and _____ ("Franchisee"). Franchisor and Franchisee are sometimes referred to individually as a "Party" and collectively as the "Parties."

RECITALS

A. Franchisee currently operates or plans to operate a business ("Existing Business") at the Location or an approved Location. Franchisee already owns one or more TruGolf simulator bay(s) acquired from Franchisor's affiliate or will acquire them, which Franchisee has installed for use at the Existing Business or plans to with the approval of Franchisor.

B. Franchisee desires to operate the Existing Business as "TruGolf Links Executive" with a limited offering compared to the full TruGolf Links franchise offer, most notably without the full food and beverage offering and a reduced overall size facility.

C. Prior to or contemporaneous with execution of this Addendum, Franchisor and Franchisee are executing a Franchise Agreement ("Agreement"). The parties wish to amend the Agreement, so it applies to the a limited TruGolf Links offering branded "TruGolf Links Executive" location.

AGREEMENT

FOR AND IN CONSIDERATION of the foregoing Recitals, the promises set forth in this Addendum, and for other good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. The Recitals set forth above are incorporated into and made part of this Addendum. Unless otherwise expressly indicated, capitalized terms used but not defined in this Addendum have the meanings given in the Agreement.

2. All references to "TruGolf Links Center" throughout the Agreement are amended to "TruGolf Links Executive Center."

3. Subsection (a) in the first sentence of Section 1.1 of the Agreement is deleted in full and replaced with the following: "(a) operate one TruGolf Links Executive Center under the System (the 'Franchised Business')." For the avoidance of doubt, Franchisee is only granted the right to operate as a TruGolf Links Executive Center (as described in Section 8.1.3 of the Agreement as amended), and Franchisee has no right or license to operate as a traditional, full service "TruGolf Links" Center. The following is added to the end of Section 1.1 of the Agreement: "Franchisee will exclusively use only TruGolf simulators acquired from Franchisor's affiliate in connection with the Franchised Business at the premises of the Existing Business and will not install or use any golf simulators not approved by Franchisor."

4. Section 2.1 of the Agreement is be amended to delete "ten (10) years" and replace it with "five (5) years."

5. Section 2.2 of the Agreement is be deleted in its entirety and replaced with "Franchisee may, at its option, renew Franchisee's right to operate the Franchised Business for two (2) additional

consecutive terms of five (5) years each, subject to the following conditions, each of which Franchisee must meet prior to such renewal:". Any references in the subsections of Section 2.2 to "initial term" are amended to "initial term or first renewal term, as applicable".

6. Section 3 (FEES AND PAYMENTS) of the Agreement is amended as follows:

a. Section 3.1 (Franchise Fee) of the Agreement is amended to delete "Forty-Five Thousand Dollars ($45,000)" and replace it with "Twenty-Two Thousand Five Hundred Dollars ($22,500)".

b. Section 3.2 (Training Fee) of the Agreement is amended to delete "Seven Thousand, Five Hundred Dollars ($7,500)" and replace it with "Two Thousand Five Hundred Dollars ($2,500)".

c. Section 3.3 (Royalty Fees) of the Agreement is deleted in full and replaced with the following:

> Royalty Fees. Franchisee shall pay Franchisor a continuing royalty fee in an amount equal to four percent (4%) of the Franchised Business's Gross Sales ("Royalty Fees") for the immediately preceding month. Franchisor may, at its sole option, adjust the amount of the required monthly Royalty Fees upon thirty (30) days' prior written notice to Franchisee; provided, (i) the Royalty Fees will not be increased by more than one-half percent (0.5%) during any 12-month period, and (ii) the Royalty Fees will not exceed six percent (6%) of Gross Sales. Franchisee shall pay the Royalty Fees on a monthly basis in the manner designated in Section 3.5 below.

7. Section 6.1 (Grand Opening Program) of the Agreement is deleted in full and replaced with "Not Applicable."

8. Section 8.1.3 of the Agreement is deleted in full and replaced with the following: "Unless Franchisor otherwise directs Franchisee, in writing, to do so, Franchisee shall operate and advertise the Franchised Business under the current name TruGolf Links Executive.

9. This Addendum will be governed, construed, interpreted, and enforced under the law designated in Section 17.1 of the Agreement, without giving effect to any conflicts of law. Any disputes, claims, or controversies arising out of or relating to this Addendum will be resolved in accordance with Section 17 of the Agreement.

10. This Addendum amends and modifies the Agreement. Except as expressly modified by this Addendum, all other provisions, representations, and acknowledgements of the Agreement are hereby ratified and confirmed and remain in full force and effect. If there is any conflict or inconsistency between the terms of this Addendum and the terms of the Agreement, the terms of this Addendum will control. Unless otherwise expressly indicated, capitalized terms used but not defined in this Addendum have the meanings given in the Agreement.

11. The Parties intend the provisions of this Addendum be enforced to the fullest extent permitted by applicable law. If any provision or part of this Addendum is found to be invalid, void, unenforceable, or contrary to law, the remainder of this Addendum will continue to be in full force and effect.

12. This Addendum embodies the entire agreement and understanding between the Parties as to the subject matter hereof and supersedes all prior negotiations, agreements, and understandings between the Parties, whether written or oral, related to the subject matter hereof. No verbal statement, agreement, promise, undertaking, understanding, or arrangement made prior to or contemporaneously with the execution of this Addendum will be binding on any of the Parties, unless expressly set forth herein. Nor will any verbal agreement, statement, promise, undertaking, understanding, arrangement, act, or omission of any Party, occurring subsequent to the date hereof be deemed an Addendum or modification of this Addendum or the Agreement unless reduced to writing and signed by the Parties hereto or their respective successors or assigns. This Addendum may not be modified or amended, or any term hereof waived or discharged, except in a writing signed by the Parties hereto. This Addendum is binding upon and inures to the benefit of the Parties and their respective successors or assigns.

13. Each Party has cooperated in the drafting and preparation of this Addendum. Hence, in any construction to be made of this Addendum, the same will not be construed against any Party.

14. This Addendum may be executed in one or more counterparts, any one of which need not contain the signature of more than one party and all of which taken together will constitute one and the same agreement. Additionally, this Addendum may be executed and transmitted by electronic means, all of which will be considered an original for all purposes.

(Signature page follows)

IN WITNESS WHEREOF, the Parties hereto have executed and delivered this Addendum as of the Effective Date.

FRANCHISEE:

[_____]
By: _____
Name: _____
Its: _____

FRANCHISOR:

TRUGOLF LINKS FRANCHISING, LLC

By: _____
Name: _____
Its: _____

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration:
California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Hawaii	Not Registered
Illinois	Pending
Indiana	Not Registered
Maryland	Not Registered
Michigan	Not Registered
Minnesota	Not Registered
New York	Pending
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	Not Registered
Washington	Not Registered
Wisconsin	Not Registered

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If TruGolf Links Franchising, LLC ("Franchisor") offers you a franchise, Franchisor must provide this Disclosure Document to you at least 14 calendar days (or sooner, if required by applicable state law) before you sign a binding agreement with, or make a payment to, Franchisor or any affiliate of Franchisor in connection with the proposed franchise sale.

New York and Iowa require that Franchisor give you this Disclosure Document at the earlier of the first personal meeting or 10 business days (14 calendar days for Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that Franchisor give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Franchisor does not deliver this Disclosure Document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the applicable state agency listed on Exhibit A to this Disclosure Document.

The names, principal business addresses, and telephone numbers of the franchise sellers offering the franchise (with name and contact information to be inserted as necessary) are:

Name	**Principal Business Address**	**Telephone Number**
Dr. Ben Litalien	60 North 1400 West, Centerville, Utah 84014	801-298-1997
Andrew Johnson	60 North 1400 West, Centerville, Utah 84014	801-298-1997

We have authorized the persons listed on Exhibit A to this Franchise Disclosure Document to receive service of process for us in the listed states.

Issuance Date: May 29, 2025

I have received this Disclosure Document dated May 29, 2025. Please refer to the State Effective Dates page for the effective date of this Disclosure Document in your state. This Disclosure Document included the following exhibits:

Exhibit A	State Administrators and Agents for Service of Process	Exhibit E	Lists of Current and Former Franchisees
Exhibit B	Financial Statements and Guarantee of Performance	Exhibit F	Form of General Release
Exhibit C	Franchise Agreement	Exhibit G	Manual Table of Contents
Exhibit D	State Specific Addenda	Exhibit H	Executive Addendum

_____
Date of Receipt

_____
Signature of Prospective Franchisee (on behalf of the prospective franchisee and any corporation, limited liability company, or other business entity having or proposed to have an interest in the franchise or any proposed franchised location)

By _____
Print Name

[Retain this copy for your records.]

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If TruGolf Links Franchising, LLC ("Franchisor") offers you a franchise, Franchisor must provide this Disclosure Document to you at least 14 calendar days (or sooner, if required by applicable state law) before you sign a binding agreement with, or make a payment to, Franchisor or any affiliate of Franchisor in connection with the proposed franchise sale.

New York and Iowa require that Franchisor give you this Disclosure Document at the earlier of the first personal meeting or 10 business days (14 calendar days for Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that Franchisor give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Franchisor does not deliver this Disclosure Document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the applicable state agency listed on Exhibit A to this Disclosure Document.

The names, principal business addresses, and telephone numbers of the franchise sellers offering the franchise (with name and contact information to be inserted as necessary) are:

Name	**Principal Business Address**	**Telephone Number**
Dr. Ben Litalien	60 North 1400 West, Centerville, Utah 84014	801-298-1997
Andrew Johnson	60 North 1400 West, Centerville, Utah 84014	801-298-1997

We have authorized the persons listed on Exhibit A to this Franchise Disclosure Document to receive service of process for us in the listed states.

Issuance Date: May 29, 2025

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_____
Date of Receipt

_____
Signature of Prospective Franchisee (on behalf of the prospective franchisee and any corporation, limited liability company, or other business entity having or proposed to have an interest in the franchise or any proposed franchised location)

By _____
Print Name