

## FRANCHISE DISCLOSURE DOCUMENT

**EAGLERIDER, INC.**  
(a California corporation)  
**11860 South La Cienega Boulevard**  
**Hawthorne, California 90250**  
**Telephone: (310) 536-6777**  
**Email: [franchise@eaglerider.com](mailto:franchise@eaglerider.com)**  
**Website: [www.eaglerider.com](http://www.eaglerider.com)**



EagleRider, Inc. is offering franchises for the operation of businesses specializing in (1) the rental of certain classes of motorcycles (including, if you qualify and are approved by us, current model year Harley-Davidson® touring and cruiser motorcycles) and other vehicles, (2) the organization of motorcycle tours and road trips, and (3) the sale of related apparel and merchandise. EAGLERIDER Outlets also offer Club EAGLERIDER Memberships to their customers.

The total investment necessary to begin operation of an EAGLERIDER Outlet is \$73,500 to \$317,000. This includes \$37,200 to \$50,200 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. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact us at 11860 South La Cienega Boulevard, Hawthorne, California 90250, telephone: (310) 536-6777.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is

available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

**ISSUANCE DATE: April 16, 2024, as amended May 28, 2024**

## How to Use this Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
<b>How much can I earn?</b>	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, Exhibit G or Exhibit H.
<b>How much will I need to invest?</b>	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.
<b>Does the franchisor have the financial ability to provide the support to my business?</b>	Item 21 or Exhibit I includes the financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only EAGLERIDER business in my area?</b>	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be an EAGLERIDER franchisee?</b>	Item 20 or Exhibit G and Exhibit H lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

## What You Need to Know about Franchising *Generally*

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

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

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

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

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

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

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

### Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchisor 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 risks be highlighted:

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation and arbitration only in California. Out-of-state mediation and arbitration may force you to accept a less favorable settlement for disputes. It may also cost more to mediate and arbitrate with the franchisor in California than in your own state.
2. **Mandatory Minimum Payments**. You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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

## SPECIAL MICHIGAN NOTICE

**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.**

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (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 provisions of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, 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. This language has been included in this Disclosure Document as a condition to registration. The Franchisor and Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all choice of law provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law provisions and other dispute resolution provisions.

(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 franchisee 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 the notice should be directed to:

State of Michigan  
Consumer Protection Division  
Attention: Franchise  
P.O. Box 30213  
Lansing, Michigan 48909  
Telephone Number: (517) 373-7117

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- C EagleRider Finance Motorcycle Lease and Lease Guaranty
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**ITEM 1**  
**THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES**

**The Franchisor and any Parents, Predecessors and Affiliates**

The name of the franchisor is EagleRider, Inc. EagleRider, Inc. will be referred to as “we” or “us” in this Disclosure Document. We will refer to the person who buys the franchise as “you” throughout this Disclosure Document. If the franchisee is a corporation, partnership or limited liability company, certain provisions of the Franchise Agreement will also apply to the owners, who will be referred to in this Disclosure Document as the “Related Parties.”

We do business under the name “**EAGLERIDER**.” We were formed on November 9, 1998 as a California corporation. Our agents for service of process are listed on Exhibit A to this Disclosure Document. We are a wholly-owned subsidiary of EagleRider Holding, Inc. which, in turn, is a wholly-owned subsidiary of EagleRider Holdings, LLC. EagleRider Holding, Inc. and EagleRider Holdings, LLC, parent companies of EagleRider, Inc., share our principal business address and were formed when Main Post Partners acquired a majority interest in us in February 2016. EagleRider Holdings, LLC owns and operates a powersport and motorcycle marketplace called EAGLESHARE which connects the owners of motorcycles and powersport vehicles to third party rental customers. EAGLERIDER franchisees utilize the EAGLESHARE marketplace as a referral source for bookings through the EAGLERIDER website. Other third-party owners of motorcycles and powersport vehicles also utilize the EAGLESHARE marketplace.

We have no predecessors. We have two affiliates that provide services to our franchisees. One affiliate is EagleRider Finance, LLC (“**EF**”), a Minnesota limited liability company formed on August 8, 2007 that helps our franchisees obtain financing or itself provides financing to our franchisees. The other affiliate is J.C. BroMac Corporation (“**BroMac**”), a California corporation formed on July 22, 1992 which also does business as “EAGLERIDER SALES.” BroMac purchases, sells and leases current model year Harley-Davidson® motorcycles for the purpose of ultimately renting or allowing our franchisees to rent such Harley-Davidson® motorcycles to customers of EAGLERIDER Outlets under our EAGLERIDER Rental Program and purchases and sells other motorcycles and vehicles for the purpose of allowing our franchisees to rent such motorcycles and vehicles to EAGLERIDER customers. Additionally, BroMac lends motorcycles to franchisees for short-term use in return for a share of the revenue they generate. BroMac owned 72 EAGLERIDER Outlets in the United States as of December 31, 2023. Our principal place of business, which we share with EF and BroMac, is located at 11860 South La Cienega Boulevard, Hawthorne, California 90250.

**The Franchise**

We offer franchises for the operation of businesses specializing in (1) the rental of certain classes of motorcycles designated by manufacturer and vehicle type (including, if you qualify and are approved by us, current model year Harley-Davidson® touring and cruiser motorcycles (“**H-D Motorcycles**”)), (2) the rental of other vehicles designated by manufacturer and vehicle type (collectively, “**Other Vehicles**”), (3) the organization of motorcycle tours and road trips, and (4) the sale of related apparel and merchandise (“**EAGLERIDER Outlets**” or “**Outlets**”). On May 4, 2017, our affiliate, BroMac, entered into a Motorcycle Rental, Marketing and Supply Agreement

with Harley-Davidson Motor Company, Inc. (the “**Supply Agreement**”) which allows BroMac to purchase and provide H-D Motorcycles to EAGLERIDER Franchisees for use in our EAGLERIDER Rental Program. EAGLERIDER Outlets operate using our distinctive business format, systems, methods, procedures, designs, layouts, advertising, promotional and marketing methods, and operational standards and specifications (together, the “**System**”). We franchise the operation of Outlets under our trade name and service mark “EAGLERIDER” and other logos, trademarks, service marks and commercial symbols (together, the “**Marks**”).

A Franchise Agreement (“**Franchise Agreement**”), which is attached as Exhibit B to this Disclosure Document is signed for each EAGLERIDER Outlet. You will receive the right to use our Marks and System to operate your Outlet at a location approved by us (“**Franchised Location**”).

If you are an existing franchisee in good standing whose Franchise Agreement expires before December 31, 2024 you may renew your franchise by executing a current Franchise Agreement and the Renewal Amendment to Franchise Agreement (“**Renewal Amendment**”). A copy of the Renewal Amendment is attached to this Disclosure Document as Exhibit K. On renewal, if necessary, you must remodel the premises to conform with our current standards and specifications and comply with any other requirements to renew.

### **EagleRider Outlets**

EAGLERIDER Outlets are lifestyle travel and motor vehicle rental facilities where customers can rent motorcycles and certain Other Vehicles, defined by manufacturer and vehicle type, as listed on Attachment 1 to your Franchise Agreement (each, a “**Rental Vehicle Class**”). EAGLERIDER Outlets also organize motorcycle tours and road trips for their customers which include preplanned routes, motorcycle friendly hotels and, depending on the package selected by the customer, various levels of support and guidance. EAGLERIDER customers also have an opportunity to become Club EAGLERIDER members and enjoy free\* monthly rentals and other exclusive benefits (\*the Club EAGLERIDER member must pay taxes, insurance, surcharges and other fees in connection with the free rental). You may supplement your rentals and other offerings with the sale of EAGLERIDER-branded products (“**EAGLERIDER Products**”) and, if approved, Harley-Davidson®-branded apparel, merchandise and accessories (collectively the “**Products**”).

If you become a franchisee, you will operate a stand-alone EAGLERIDER Outlet at your Franchised Location. An EAGLERIDER Outlet cannot be part of, or located within, a motorcycle dealership. EAGLERIDER franchises are typically 500 to 10,000 square feet in size with adequate vehicle rental and sale, vehicle repair, riding gear rental and merchandise retail areas. EAGLERIDER franchises often have a rock-and-roll inspired motif and feature signs, posters and Americana-themed art.

### **Regulations**

You must investigate and comply with all local, state and federal laws and regulations affecting your Outlet. We are not aware of any regulations specific to the operation of an Outlet in your state, although you are responsible for complying with all local, state and federal laws of a general nature which affect the operation of your Outlet such as the Americans with Disabilities

Act, Federal Wage and Hour Laws and the Occupational Safety and Health Act. There may be special driver's licensing laws in your state that apply to your rental customers. There may also be laws, regulations and licensing requirements that apply to the servicing or sales of vehicles, such as environmental laws requiring permits covering vehicle servicing, accidental release of hazardous waste, hazardous waste generator permits, Environmental Protection Agency identification numbers, various state automotive repair licenses, salesperson licenses and motor vehicle dealer licenses. You should consult with your attorney on this subject, especially regarding state and local laws, rules and regulations that may affect the operation of your EAGLERIDER Outlet at your particular location. You are responsible for complying with employment (including minimum wage and overtime requirements), workers' compensation, insurance, corporate, taxing, licensing, zoning and similar laws and regulations.

### **Market and Competition**

The market and customers for your services will consist primarily of motorcycle enthusiasts and other powersports or scooter enthusiasts and tourists with valid licenses for the operation of your rental vehicles. Your business will be affected by seasonal weather patterns and the strength of the local rental market. Your principal competitors will be franchised operations, national chains, and independently owned companies offering similar rentals. You may even experience competition from other EAGLERIDER Outlets within the same market area as your Outlet and from us, from the sale of Products via the Internet, other electronic methods, mail order, retail store display, wholesale and through other channels of trade, and from BroMac, which operates several Outlets and sells used motorcycles and powersports vehicles. In the past, BroMac operated an online travel website that provided booking services to EAGLERIDER Outlets and other motorcycle rental outlets (some of which may have competed with EAGLERIDER Outlets).

### **Business Experience**

Certain of our principals, through BroMac, have extensive experience in Outlet operations. BroMac has operated EAGLERIDER Outlets since 1993 and owned 72 Outlets in the United States as of December 31, 2023. Since our business is limited to granting franchises and assisting our franchisees, we have never operated a business of the type to be operated by you. We have offered EAGLERIDER franchises since 1999. Neither we nor any affiliate have offered franchises in any other lines of business. No affiliate has offered franchises for the same type of business to be operated by you.

## **ITEM 2 BUSINESS EXPERIENCE**

### **Christopher T. McIntyre, Chief Experience Officer and Director**

Christopher T. McIntyre has been our Chief Experience Officer since March 2020 and has been a Director since we were incorporated in November 1998. From November 1998 to March 2020, he was our Chief Executive Officer and President. He has also been President of BroMac since July 1992.

### **Jeffery C. Brown, Chief Administrative Officer, Vice President and Director**

Jeffery C. Brown has been our Chief Administrative Officer since May 2016 and previously served as Chief Operating Officer from December 2014 to May 2016. He has also been our Vice President and one of our Directors since our incorporation in November 1998.

### **Ki Yom, Chief Financial Officer**

Ki Yom has been our Chief Financial Officer since November 2021. From May 2019 to November 2021, he was a CFO Consultant for Hardesty, LLC, an executive services firm headquartered in Irvine, California. From December 2017 to April 2020, Mr. Yom was a CFO Consultant with Tatum by Randstad, an executive talent and strategic consulting services company headquartered in Atlanta, Georgia.

### **Christopher Soder, Director**

Christopher Soder has been one of our Directors since March 2016.

### **Thomas Gartland, Director**

Thomas Gartland has been one of our Directors since March 2016.

### **Anoop Prakash, Director**

Anoop Prakash has been one of our Directors since October 2023. Since October 2023, Mr. Prakash has been the Executive Vice President, Americas for Ariens, Co., an outdoor equipment manufacturing company headquartered in Brillion, Wisconsin. From October 2019 to February 2023, he was a Division president for REV Group, Inc., a specialty motor vehicle manufacturer based in Brookfield, Wisconsin. Since November 2022, Mr. Prakash has been a Board Member of Pedego Electric Bikes, an electric bike company headquartered in Fountain Valley, California. From January 2019 to September 2019, Mr. Prakash was a consultant with Egon Zehnder, a consulting company, in Chicago, Illinois.

### **Hal Oreif, Chief Technology and Products Officer**

Hal Oreif has been our Chief Technology and Products Officer since January 2012.

### **Ben Young, Senior Vice President of Operations**

Ben Young has been our Senior Vice President of Operations since January 2023 and previously served as our Vice President of Operations from March 2018 to December 2022. He has also been a Regional Manager from January 2016 to February 2018.

### **Shawn Fechter, Senior Vice President of Strategic Growth and Marketing**

Shawn Fechter has been our Vice President since January 2010 and is currently the Senior Vice President of Strategic Growth and Marketing.

**Chad Cervenka Short, Manager of Franchise Development**

Chad Cervenka Short has been our Manager of Franchise Development since August 2012. He has also been the General Manager and Compliance Manager for BroMac since March 2016.

**Daniel Diaz, Manager of Franchise Operations – East**

Daniel Diaz has been our Manager of Franchise Operations – East since August 2011.

**Dieter Schleicher, General Manager of Support and Training Initiatives**

Dieter Schleicher has been our General Manager of Support and Training Initiatives for our franchised and corporate-owned locations since December 2014. From December 2012 to December 2014, he served as General Manager of Corporate Locations. From December 2010 to December 2012, he served as our Manager of Training. From December 2008 to December 2010, he served as our Manager of Franchise Sales.

**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 the Franchise Agreement, you must pay us an initial franchise fee of \$30,000. The initial franchise fee includes the fee for any one (1) Rental Vehicle Class. The initial franchise fee allows you to obtain a basic license to use our proprietary computerized reservations and booking software, compatible with a rental fleet of up to 100 vehicles (“**EAGLERIDER Rental Management System**”).

**VetFran Program**

We participate in the International Franchise Association’s Veterans Franchise Initiative (“**VetFran**”), under which franchise systems voluntarily agree to offer incentives, discounts and other creative financing products to honorably discharged veterans of the United States Armed Forces. If you qualify for participation in VetFran and also meet our qualifications, we will discount your initial franchise fee by fifteen percent (15%).

### **Additional Rental Vehicle Classes**

The fee for each additional Rental Vehicle Class is \$2,000 and is payable either at the time you sign the Franchise Agreement or prior to adding the additional Rental Vehicle Classes.

### **EAGLERIDER Rental Management System**

A one-time fee of \$2,000 is payable to set up the EAGLERIDER Rental Management System, which is designed for online motorcycle and powersport rental reservations and bookings and includes payment gateway, card processor and merchant account, microsite, social media and other business sites and related items for your Outlet.

All initial fees, once paid, are nonrefundable. Except as outlined in this Item 5, all franchisees currently acquiring a franchise pay the same franchise fee. During our most recent fiscal year, all franchisees paid the same franchise fees.

### **Opening Rental Vehicle Inventory**

You are required to either purchase or lease an initial rental fleet of motorcycles and Other Vehicles that we authorize you to rent to your customers. The amount you initially invest will vary depending on whether you purchase or lease your initial rental fleet. If you obtain your initial rental fleet from us or our affiliates, your cost to obtain your initial rental fleet could range from approximately \$5,200 to approximately \$16,200 per month. The amount you pay us or our affiliates will be less if you are not obtaining your initial rental fleet from us or our affiliates or if you are primarily leasing your initial rental fleet from us or our affiliates. The amount you pay us or our affiliates could be as high as approximately \$16,200 per month if you are primarily purchasing your initial rental fleet from us or our affiliates.

## **ITEM 6 OTHER FEES**

<b>TYPE OF FEE<sup>1</sup></b>	<b>AMOUNT</b>	<b>DUE DATE</b>	<b>REMARKS</b>
Royalty <sup>1, 2</sup>	10% of Gross Rental Revenue and 5% of Gross Retail Revenue from Products, or \$350 per month, whichever is more	Monthly on 10 <sup>th</sup> day of the following month.	Royalties are paid by electronic transfer of funds or prearranged draft.
Local Advertising Expenditure <sup>2, 5</sup>	5% of Gross Rental Revenue	You must spend this amount each month, starting when your Outlet opens for business.	This is the minimum average which must be spent during each month. You may spend more.
EAGLERIDER Rental Management System Fee <sup>1</sup>	\$275 per month	Monthly on the 10th day of the following month.	These payments are for the cost of your rental application, microsite and payment gateway.

<b>TYPE OF FEE<sup>1</sup></b>	<b>AMOUNT</b>	<b>DUE DATE</b>	<b>REMARKS</b>
Computer and POS Maintenance Fees <sup>5</sup>	Approximately \$1,000 per year	As incurred.	You will pay third-party vendors the fees necessary to maintain your Computer System and POS System in compliance with our standards and specifications.
Products and Other Inventory <sup>5</sup>	At least \$1,000	Monthly (or upon invoice).	You will purchase Products from an approved supplier.
Additional Rental Vehicle Classes <sup>1</sup>	\$2,000 per additional Rental Vehicle Class	Prior to adding the Rental Vehicle Class	Payable for each Rental Vehicle Class that you add beyond the first Rental Vehicle Class
Training Program Expenses <sup>3, 5</sup>	Travel and living costs associated with attending mandatory training sessions.	As incurred.	Initial training is included as part of your initial franchise fee, except for those costs paid to other parties. We may require additional training at other times at your expense. Additionally, if you are approved to rent H-D Motorcycles at your Outlet, your travel and living costs will be higher because you will also need to attend training at Harley Davidson® headquarters.
Additional Training Fee <sup>1,4</sup>	Up to \$1,000 per person.	Upon invoice.	Applies to initial training of a 5th or subsequent trainee or of a replacement manager.
Additional On-Site Assistance <sup>1</sup>	\$300 per diem per employee plus our direct costs for all assistance.	Upon invoice.	If you request or we determine that you require additional on-site assistance.
Relocation Fee <sup>1</sup>	\$4,000	Before we grant our consent.	Payable if you choose to relocate your Outlet, upon our prior written approval.
Renewal Fee <sup>1</sup>	50% of the then-current initial franchise fee	Upon invoice.	Payable if you choose to renew the term of your Franchise Agreement.
Transfer Fee <sup>1</sup>	\$5,000	Before we grant our consent.	Payable when the Franchise Agreement, interest in the Outlet, or the franchise is transferred by you.
Audit <sup>1</sup>	Our reasonable cost of audit between \$1,000 and \$6,000.	Upon invoice.	Payable only if audit reveals underpayment of 2% or more or was performed because you did not submit financial statements on time.
Interest on Past Due Accounts <sup>1</sup>	For amounts to us or our affiliates, 1.5% per month or highest amount allowed by applicable law, whichever is less	Upon invoice.	Begins to accrue the day after payments are due for Royalties or any other amounts due to us or our affiliates.
Vehicle Documentation – Lease Initiation Fee <sup>1</sup>	\$200 per vehicle	Upon invoice.	Only applicable if you offer H-D Motorcycles using EF financing.



TYPE OF FEE <sup>1</sup>	AMOUNT	DUE DATE	REMARKS
Return/De-fleet Fee <sup>1</sup>	\$375 per vehicle	Return/De-fleet Fee must be paid upon return of vehicle.	Only applicable if you offer H-D Motorcycles using EF financing.
Excess Mileage Charge <sup>1</sup>	\$0.29 - \$1.00 per mile in excess of 18,000 miles during the lease term	Excess Mileage Charge must be paid upon return of vehicle.	Only applicable if you offer H-D Motorcycles using EF financing.
Late Lease Payment Processing Fee <sup>1</sup>	\$35 per vehicle	Payable if a lease payment to EF is late by 10 days or more.	Only applicable if you offer H-D Motorcycles using EF financing.
Indemnification Under Franchise Agreement <sup>1</sup>	Will vary depending on nature of the claim against us.	As incurred.	You have to reimburse us if we are held liable for claims resulting from your EAGLERIDER Outlet.
Costs and Attorneys' Fees <sup>1</sup>	Will vary depending on nature of your default or the claim brought.	As incurred.	Payable if we are successful in a legal action or proceeding.

1. Fees that we or our affiliates charge and that must be paid to us or our affiliates. Payments to us and our affiliates are not refundable. All fees are uniformly imposed, but we reserve the right to modify these fees, under certain circumstances, including to resolve disputes, to address current business and economic conditions and under other circumstances. We may offset any past due amounts you owe us or our affiliates against advance booking fees we or our affiliates collect for bookings for your Outlet or any other money we or our affiliates collect for you or owe to you.

2. “**Gross Rental Revenue**” means the total amount of revenue from rentals from your Outlet and from any rentals made away from your Outlet premises, including but not limited to, daily rent, extra mileage charges, accessory and clothing rental, insurance sales, Vacation Interruption Protection (VIP) and Theft Damage & Collision Waiver (TDW) charges, surcharges and one-way fees, Club EAGLERIDER membership fees, excluding sales taxes and discounts that have been approved by us in advance. “**Gross Retail Revenue**” means the total amount of revenue for all sales of products, apparel, merchandise, and any other accessories or items from your Outlet, including any sales made away from your Outlet premises, excluding sales taxes and discounts that have been approved by us in advance.

3. Expenses associated with travel, meals and lodging while attending initial training sessions. All of these expenses are payable to third parties. These expenses will vary according to where you stay, where you eat and how far you have to travel.

4. We do not charge for up to 4 people to attend the initial training program, but we may assess a fee of up to \$1,000 for each additional trainee at initial training or for training of replacement personnel. If we decide to assess a fee, the amount of the fee charged (up to \$1,000) will be based upon the trainee’s needs and the length of time involved with the training.

5. Fees which are not paid to us but are usually not refundable.

**ITEM 7  
ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

<b>TYPE OF EXPENDITURE</b>	<b>LOW</b>	<b>HIGH</b>	<b>METHOD OF PAYMENT</b>	<b>WHEN DUE</b>	<b>TO WHOM PAYMENT IS TO BE MADE</b>
Initial Franchise Fee <sup>1</sup>	\$30,000	\$30,000	Lump sum	At signing of Franchise Agreement	Us
Additional Rental Vehicle Classes <sup>2</sup>	\$0	\$2,000	Lump sum	Upon adding the Additional Rental Vehicle Class	Us
Initial Training Expenses <sup>3</sup>	\$500	\$6,000	As incurred	During training	Other Suppliers
Real Estate and Leasehold Improvements <sup>4</sup>	\$10,000	\$100,000	As incurred	Before opening	Other Suppliers
Furniture, Fixtures and Equipment <sup>5</sup>	\$2,000	\$9,000	As determined by vendors	Before opening	Other Suppliers
Tools, Parts and Accessories <sup>6</sup>	\$2,500	\$7,000	As determined by vendors	Before opening	Other Suppliers
Signs <sup>7</sup>	\$2,500	\$20,000	As determined by vendors	Before opening	Other Suppliers
Opening Rental Vehicle Inventory <sup>8</sup>	\$5,200	\$16,200	Payments	Monthly	Us, our affiliates or Other Suppliers
Opening Products Inventory <sup>9</sup>	\$3,000	\$25,000	As incurred	Before opening	Other Suppliers
Grand Opening Marketing Campaign <sup>10</sup>	\$1,500	\$2,500	As incurred	Before opening	Other Suppliers
POS Software and Hardware <sup>11</sup>	\$2,600	\$7,500	As determined by vendors	Before opening	Other Suppliers
EAGLERIDER Rental Management System Setup <sup>12</sup>	\$2,000	\$2,000	Upon invoice	Before opening	Us
Insurance <sup>13</sup>	\$3,200	\$9,800	Lump sum	Before opening	Other Suppliers
Utility Deposits and Business Licenses <sup>14</sup>	\$500	\$5,000	As incurred	Before opening	Other Suppliers
Additional Funds – 1 <sup>st</sup> 90 days <sup>15</sup>	\$8,000	\$75,000	As incurred	As incurred	Various
<b>TOTAL<sup>16</sup></b>	<b>\$73,500</b>	<b>\$317,000</b>			

1. **Initial Franchise Fee.** The initial franchise fee is \$30,000 and is payable upon signing the Franchise Agreement.

2. **Additional Rental Vehicle Classes.** The fee for each additional Rental Vehicle Class is \$2,000 and is payable prior to adding the additional Rental Vehicle Classes. The amount in the range above assumes you only add one additional Rental Vehicle Class when you start your business.

3. **Initial Training Expenses.** At the higher end, this includes the cost of travel, lodging and meals for up to four people during the initial training program if we determine, in our sole discretion, that the full program should be administered at our headquarters. If we decide, in light of your experience, that less extensive training is needed, we may conduct the initial training program online or at your location. In that case, your cost will be less. Lastly, if you are approved to rent H-D Motorcycles at your Outlet, your travel and living costs will be at the higher end of this estimate because you will also need to attend training at Harley Davidson® headquarters.

4. **Real Estate and Leasehold Improvements.** The low figure assumes you already own suitable space. Typically, the size of an Outlet will range from 500 to 10,000 square feet. Construction costs vary depending upon numerous factors, including the size and configuration of the premises and the cost of materials and labor for construction. The cost shown does not include the cost to purchase the building or site for the Outlet. The cost of leasehold improvements depends on the condition and size of the site, the local cost of contract work, and the location of the Outlet. The low-range estimate in the chart assumes that you obtain a tenant finish allowance from your landlord; the high-range estimate assumes no tenant finish allowance. Your costs to improve the Franchised Location will depend in part on whether your space is completely constructed or is the remodel of an existing space, the square footage of your space and market rates in your area. The leasehold improvements, which must be completed in accordance with our standards and specifications, customarily include interior remodeling, floor finishing, painting, electrical, design and various other improvements. This category includes the cost of any architectural designs and drawings and interior design services that you obtain.

These costs may vary significantly from market to market. If you purchase property or a building, or both, for the Outlet, your additional costs will depend on the location and size of the land and building and will exceed the estimate in the chart. We are unable to estimate these costs due to the significant variances based on location and market conditions. We are also unable to estimate the cost of leasing an Outlet space and lease security deposit for your Outlet due to significant variances based on market conditions, size variances, whether the landlord provides a tenant finish allowance and other variables. If you intend to lease your Outlet, you should investigate the rates in the area in which you propose to locate your Outlet as well as the other factors which will affect your rent expense and lease security deposit.

5. **Furniture, Fixtures and Equipment.** This category includes basic furnishings, rental counter, alarm system and janitorial equipment.

6. **Tools, Parts and Accessories.** These figures include the cost of repair equipment, tools and vehicle parts adequate for your EAGLERIDER Outlet.

7. **Signs.** This item includes required outdoor and indoor signage as approved by us in our sole discretion.

8. **Opening Rental Vehicle Inventory.** This category describes the amount you will pay for an initial rental fleet of motorcycles and Other Vehicles that we authorize you to rent to your customers. The amount you initially invest will vary depending on whether you purchase or lease your initial rental fleet. The low figure assumes that you are primarily leasing your initial rental fleet. The high figure assumes that you are primarily purchasing your initial rental fleet. If

you decide to purchase Other Vehicles, you agree to present the details of your purchase to us or our affiliate and allow us to match the pricing.

9. **Opening Product Inventory.** These figures include the wholesale cost of apparel, personal accessories, gift items and other sports vehicle-related items for resale at retail. You must purchase a minimum opening inventory of EAGLERIDER product of \$3,000.

10. **Grand Opening Marketing Campaign.** We will determine the amount you will spend for your grand opening marketing campaign within this range.

11. **POS Software and Hardware.** This estimate includes the cost of POS software and hardware which meets our standards and specifications, including firewall protection. The POS is pre-loaded with designated software. As of the date of this Disclosure Document, the POS is pre-loaded with the web-based EAGLERIDER Rental Management System.

12. **EAGLERIDER Rental Management System Setup.** This one-time fee is payable to set up the EAGLERIDER Rental Management System, which is designed for online motorcycle and powersport rental reservations and bookings and includes, payment gateway, card processor merchant account, microsite, social media and other business sites and related items for your Outlet.

13. **Insurance.** You must buy comprehensive liability and other general business insurance, as well as insurance that covers your fleet of rental vehicles. The coverage for your business includes comprehensive public liability insurance, including product liability coverage, covering all your Outlet assets, personnel, and activities on an occurrence basis with a combined single limit for bodily injury, death or property damage of not less than one million dollars (\$1,000,000). You must also carry security breach insurance to ensure the security of your network and casualty insurance in a minimum amount equal to the replacement value of your interest in your Outlet premises, including furniture, fixtures and equipment. You must also maintain policies of workers' compensation insurance, disability insurance and any other types of insurance required by applicable law. Coverage for your rental fleet shall include risk of loss of damage in an amount not less than the replacement value of such vehicles, and in amounts and with deductibles, covering loss from fire, windstorm and other comprehensive hazards, as well as loss from theft and collision. Different states may require you to maintain different types and levels of insurance.

14. **Utility Deposits and Business Licenses.** Utility deposits range from \$500 to approximately \$2,000 and business licenses range from \$500 to \$3,000.

15. **Additional Funds.** This estimates your pre-operational expenses, which we have not listed above, as well as additional funds necessary for the first three months of your business operations. This category includes employee wages, opening cash, working capital, and other miscellaneous expenses incurred during the first 90 days of operations. This item does not include a salary for you. We relied on our affiliate's extensive experience operating Outlets to determine the estimated range of additional funds.

16. **Financing.** Except for the financing described in Item 10, we do not offer financing either directly or indirectly for any part of the initial investment. The availability and terms of

financing from independent third parties depend on factors such as the availability of financing generally, your creditworthiness, other security and collateral you may have and policies of lenders.

You should review these figures carefully with a business advisor before making any decision to purchase a franchise. None of the fees and costs estimated in the chart above are refundable, except deposits paid to third parties may be refundable.

## **ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

### **Operations**

You must establish, maintain and operate your Outlet in compliance with your Franchise Agreement. It is mandatory that you comply with the standards and specifications contained in an operations manual we provide to you, in the form of one or more manuals, technical bulletins or other written or electronic materials (together, “**Operations Manual**”), which we may modify from time to time. The Operations Manual is designed to protect the System and the Marks and is not intended to control the day-to-day operation of your Outlet. Additionally, you must operate your Outlet, rent motorcycles and Other Vehicles and offer Products in accordance with the standards and specifications described in the Operations Manual and Franchise Agreement. You must comply with our mandatory standards and specifications for the Franchised Location build-out, signs, fixtures, equipment, furnishings, tools, parts, accessories, forms, insurance, advertising materials and other items used at and rented or sold through your Outlet. We base our standards and specifications on the operating experiences of our affiliate, our other franchisees and the requirements of the Supply Agreement, if applicable. We do not issue our specifications to approved suppliers. If we modify our specifications, we will advise you of the modification in writing. Although we provide you with the standards and specifications described above, these standards and specifications are provided for the protection of the EAGLERIDER brand and the System. You are solely responsible for all employment decisions at your Outlet, including decisions related to hiring, training, firing, scheduling, compensation, benefits, discipline, supervision and the day-to-day operation of your Outlet.

### **Lease and Build Out**

We must approve any lease or, if applicable, any purchase agreement for the premises for your Outlet before you sign any of these agreements. If you are leasing the premises for your Outlet, a copy of the proposed lease must be delivered to us at least 15 days before signing. The lease must contain certain provisions which grant us certain rights, as your franchisor, including:

- The lease must give the landlord’s consent to your use of the Marks and signage which we initially prescribe for the Outlet;
- We must have the right to enter the premises to make any modification necessary to protect the Marks and the System;

- We or our designee, without the landlord's approval, must have the option to assume your occupancy rights under the existing lease terms and the right to assign the lease or sublet the premises, for all or part of the lease term, if you are in default under the lease or the Franchise Agreement or if the Franchise Agreement is terminated or not renewed;
- Your landlord must agree to provide us with a copy of any notices of default sent to you and an opportunity to cure any default; and
- The lease must contain a use provision which is acceptable to us.

You must, at your expense, construct, convert, design, decorate and furnish the premises for your Outlet in accordance with our plans and specifications, and with the assistance of contractors, architects and suppliers designated or approved by us. We require that you obtain our written consent to any proposed premises for your Outlet and to any improvements to the Outlet before construction begins.

### **Rental Vehicles, Parts, Business Forms and Merchandise**

All motorcycles and Other Vehicles you offer for rent must meet our brand specifications of manufacturer, vehicle types, year and must not exceed our maximum mileage limitations for the Rental Vehicle Classes you are authorized to offer. You may buy these Other Vehicles from any reputable source, but agree to give us or our affiliate an opportunity to price match any Other Vehicles you intend to purchase. You must obtain parts and business forms from an approved supplier. You must buy Products and uniforms used or sold in your Outlet from our designated suppliers and in accordance with the Franchise Agreement. We reserve the right to change or supplement the types of authorized motorcycles and other vehicles, products and services and approved suppliers from time to time upon notice to you, and there are no limits on our right to do so.

#### **H-D Motorcycles and EAGLERIDER Rental Program**

If you are approved to offer H-D Motorcycles as the Rental Vehicle Class at your Outlet, you are required to obtain H-D Motorcycles for your fleet from us, our affiliates or a Harley-Davidson® dealer, whether through purchase or lease, for use in the EAGLERIDER Rental Program. If you choose to lease the H-D Motorcycles from us or our affiliate, you are required to sign the Lease Agreement, attached hereto as Exhibit C. Under the Supply Agreement with Harley-Davidson®, your EAGLERIDER franchise must offer current model year Harley-Davidson® touring and cruiser motorcycles, meaning that each Harley-Davidson® motorcycle in your rental fleet must be returned to us or our affiliate two years after you acquire it. Upon your return of the Harley-Davidson® motorcycle to us or our affiliate, you must acquire new H-D Motorcycles for your rental fleet by entering into a new agreement with us or our affiliate to acquire the then-current model year H-D Motorcycles. If you obtain H-D Motorcycles from a Harley-Davidson® dealer, you must comply with certain limitations and conditions to ensure compliance with the requirements of the Supply Agreement. You must use only genuine Harley-Davidson® parts and accessories obtained from an approved supplier in the H-D Motorcycles in your rental fleet.

## **Website**

We will provide you with a webpage (microsite) that is linked to our website and which conforms to our standards and specifications. The website and any other electronic advertising must comply with our policies and rules regarding development, maintenance, use and content. We reserve the right to charge you a fee for access to electronic or other communication or technology services we provide or make available to you.

## **POS Software and Hardware**

You must purchase or lease computer hardware and software (a “**Computer System**”) which meets our standards and specifications. You must also maintain a point of sale system pre-loaded with designated software (“**POS System**”). As of the date of this Disclosure Document, the POS System is a designated system loaded with the web-based EAGLERIDER Rental Management System. BroMac is the designated supplier of the web-based EAGLERIDER Rental Management System which tracks daily receipts, reservation information and fleet availability. The EAGLERIDER Rental Management System generates daily business reports, cash summaries and a dynamic customer database. We reserve the right to develop and own proprietary software, license it to you, and to derive revenue from license and maintenance fees. You must participate in all credit card, gift card, electronic data capture and other similar programs that we deem mandatory. We reserve the right to change our designated suppliers and our standards and specifications for the Computer System and the POS System. We estimate that the cost of the Computer System and POS System is less than 3.0% of your total costs to open your Outlet and less than 1.5% of your total cost to operate your Outlet after that time.

## **Online Security Awareness and Privacy Policy**

All user and password information for your microsite and contained in any rental applications or other documents must be kept safe and confidential in accordance with our standards and specifications and best business practices. Additionally, you must take security measures that comply with PCI Security Standards and meet our standards to ensure the security of your network. You must purchase security monitoring services and equipment, including, but not limited to, firewall protection, and security breach insurance, from a vendor we approve.

## **Insurance**

### **General**

You must procure and maintain the types and minimum amounts of insurance coverage that we require as described in the Franchise Agreement and the Operations Manual, as such types of insurance and minimum amounts of coverage may change from time to time upon notice to you. Before opening your Outlet you must buy insurance policies of comprehensive public liability insurance, including product liability coverage, covering all your Outlet assets, personnel, and activities on an occurrence basis with a combined single limit for bodily injury, death or property damage of not less than one million dollars (\$1,000,000). You must also carry casualty insurance in a minimum amount equal to the replacement value of your interest in your Outlet premises, including furniture, fixtures and equipment. In addition, you must maintain policies of workers’ compensation insurance, disability insurance and any other types of insurance required by

applicable law. You must maintain such insurance at all times while operating your Outlet. We may increase the minimum coverage requirement annually if necessary to reflect inflation or other changes in circumstances. Each required insurance policy must contain a provision that the policy cannot be canceled without thirty (30) days' written notice to us, be issued by an insurance company of recognized responsibility, designate us as an additional insured, and be satisfactory to us in form, substance and coverage. You must deliver a certificate of the issuing insurance company evidencing each policy to us within thirty (30) days after the policy is issued or renewed.

### Vehicle

You must buy and maintain certain insurance coverage for your rental vehicles and that insurance coverage must comply with the laws of the state of your Franchised Location, the location in which the vehicle is registered or the laws of the state in which the vehicle is used. At a minimum, you must buy and maintain standard per occurrence comprehensive liability insurance, which coverage shall be primary as to us, protecting us against any and all liability, with combined single limit coverage for bodily injury and property damage liability of at least \$500,000 per occurrence. You must also buy and maintain on a primary basis as to us such excess liability insurance coverage covering bodily injury and property damage liability with policy limits and provisions conforming to such requirements as we may from time to time reasonably designate.

During the lease term of the vehicle, you shall also keep each of your vehicles insured at all times against all risk of loss or damage in an amount not less than the replacement value of such vehicles, and in amounts and with deductibles, covering loss from fire, windstorm and other comprehensive hazards, as well as loss from theft and collision.

### Advertising and Marketing

All marketing and promotion of your EAGLERIDER Outlet must conform to our standards and specifications as contained in our Operations Manual and the Franchise Agreement. You must submit to us samples of all advertising and promotional materials that have not been prepared or previously approved by us and we will approve or reject the materials in our sole discretion, subject to Harley-Davidson®'s right to review and approve such material, if applicable. Your Outlet must participate in promotions we institute from time to time for all EAGLERIDER Outlets or all Outlets within a particular market area. We retain the right to develop and control all advertising using our Marks on the Internet or other electronic advertising. We reserve the right, on 30 days prior written notice to you, to require that you participate in electronic advertising.

You will also offer all EAGLERIDER customers the opportunity to become Club EAGLERIDER members so they may enjoy free\* monthly rentals and other exclusive benefits (\*the Club EAGLERIDER member must pay taxes, insurance, surcharges and other fees in connection with the free rental).

We reserve the right to require you to participate in, and to purchase and utilize processing equipment and software designated by us to implement a prepaid card, gift card, rewards card or customer loyalty program (each, a "**Card Program**"). As of the date of this Disclosure Document, we have implemented a gift card program that you must participate in. You must follow the guidelines set forth in the Operations Manual with respect to your obligations and responsibilities under a Card Program, the methods of operation for a Card Program, the transaction information



you are required to provide to us and the retention of complete and accurate books and records regarding transactions made pursuant to a Card Program. To comply with applicable state laws and regulations, the funds you receive in connection with the sale, activation and reloading of prepaid cards, gift cards, rewards cards or similar promotional cards, and the subsequent transactions which are made by the holders of such cards will be accounted for separately from other sales made at your Outlet. We reserve the right to collect the funds you receive in connection with the sale and activation and reloading of prepaid cards, gift cards, rewards cards or similar promotional cards for reconciliation of the cardholder revenue and debited cardholder sales. You are responsible for compliance with all federal and state laws that may regulate gift and stored value cards, including any unclaimed property laws in your state. We may charge you transaction fees to activate, reload, redeem and otherwise administer a Card Program. You may be required to sign an addendum to your Franchise Agreement as a condition of participation in a Card Program. Additionally, we have the right to audit your books, records and processes relating to a Card Program. You may be required to pay the costs of an audit if the audit reflects an underpayment of more than 2% during the period reviewed.

### **Purchases from Designated or Approved Sources**

We are not an approved or designated supplier of any goods or services you will use or sell in your business. BroMac, through EagleRider Sales, is a supplier of Other Vehicles that meet our specifications, but you are free to buy or lease Other Vehicles from other approved suppliers. You agree to give us the opportunity to match the pricing of any other supplier you intend to buy Other Vehicles from. Three of our officers own interests in BroMac and EF.

We do not provide material benefits, such as renewal or granting additional franchises to franchisees, based on your use of designated or approved suppliers

In 2023, BroMac received \$2,648 from revenue-sharing with franchisees by making its rental vehicles available to them for short-term use and rental drop-off service. In 2023, EF received \$245,806 in gross revenue from franchisees for financing of rental vehicles. We and our affiliates reserve the right to earn revenue and retain the credit of any volume discounts, rebates or incentives received as a result of your purchases of goods or services.

### **H-D Motorcycles as Rental Vehicle Class**

If you are authorized to provide H-D Motorcycles as your Rental Vehicle Class, our affiliate, BroMac, and in some cases a Harley Davidson® dealer (if your Outlet is located in the Harley Davidson® dealer's territory) will be the only approved supplier of: (1) H-D Motorcycles, (2) Harley Davidson® products, and (3) motorcycle helmets, leather jackets and gloves. You must purchase the Products, motorcycle helmets, leather jackets and gloves and lease or purchase the H-D Motorcycles from BroMac or an H-D dealer, as applicable. You may not sell any apparel that is branded with the trademark(s) or logo(s) of any entity or person that sells motorcycles, other than Harley-Davidson®, as more fully described in the Franchise Agreement and Operations Manual.

BroMac will receive commissions from Harley-Davidson® on its sales of Harley-Davidson® branded products to our franchisees. BroMac is entitled to earn revenue and receive payments from Harley-Davidson® for every H-D Motorcycle that is sold to a customer within 90

days after that customer rents an H-D Motorcycle from us or our franchisees. In 2023, BroMac received \$144,822 in commissions for H-D Motorcycles that were sold to customers within 90 days after the date the customers rented H-D Motorcycles from us or our franchisees. Further, BroMac, us and our affiliates reserve the right to earn revenue and may receive volume and other rebates from Harley-Davidson® by providing H-D Motorcycles to our franchisees. In 2023, BroMac did not earn any revenue or receive any commissions or rebates from Harley-Davidson® relating to franchisee purchases or by providing H-D Motorcycles to franchisees.

### Other Suppliers

If you would like to make required purchases from a supplier we have not yet approved, you may request our Supplier Approval Criteria and Request Form. Based on the information and samples you supply to us, we will test the items supplied and review the proposed supplier's business reputation, delivery performance, credit rating and other information. We expect to complete our review and advise you of our decision in writing within 30 days after you submit the required information. We do not charge a fee for approving a supplier. However, if we have designated a supplier as the sole vendor to receive price benefits for all EAGLERIDER Outlets, we may not agree to consider other suppliers. If we revoke our approval of a supplier, we will advise you of that fact in writing. We will not consider other suppliers for H-D Motorcycles, the Harley Davidson® products, and motorcycle helmets, leather jackets and gloves.

### Estimated Cost of Purchases from Designated or Approved Suppliers

We estimate that the cost of the vehicles, parts, business forms, merchandise, software, and other supplies and services that must be purchased from designated or approved suppliers or according to our specifications will represent between 70% and 90% of your total purchases in the establishment of your business and will represent between 20% and 30% of your ongoing expenses. We do not provide material benefits, such as renewal or granting additional franchises to franchisees, based on your use of designated or approved suppliers.

### Purchasing Arrangements

We have no purchasing or distribution cooperatives at the current time, although we may establish pricing programs with certain suppliers based on volumes purchased. Periodically, we may negotiate purchase arrangements with suppliers for the benefit of our franchisees. We can require that you participate in these arrangements and programs. We or our affiliates currently have discount buying arrangements or purchasing and pricing arrangements with Harley Davidson Motor Company for the purchase of current model year Harley-Davidson® touring and cruiser motorcycles (if you are approved to offer Harley Davidson® as your Rental Vehicle Class), Nelson Rigg, a luggage company, and Eagle Promotions, a company that provides promotional consulting, graphic design and other services. However, you should not rely on the continued availability of any particular discount buying, pricing or distribution arrangement, or the availability of any particular product (including H-D Motorcycles) or brand in deciding whether to purchase the franchise. For instance, the Supply Agreement with Harley-Davidson® was entered into in May 2017 and has a term of 10 years. If the Supply Agreement is not renewed or is terminated for other reasons, you may not receive or be able to obtain the same or similar pricing for H-D Motorcycles and Harley-Davidson® branded products. We cannot guarantee the performance of any supplier under the agreements we have reached with them. We and our affiliates have the right to receive

payments from suppliers on account of their dealings with you and other franchisees, including your purchase of the above-described items (see section above on Purchases from Designated or Approved Sources). During the fiscal year ending December 31, 2023, we did not receive any payments from suppliers as a result of franchisee purchases. We and our affiliates reserve the right to earn revenue and retain the credit of any volume discounts, rebates or incentives received as a result of your purchases of goods or services.

## ITEM 9 FRANCHISEE’S OBLIGATIONS

**This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.**

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section 4.4.1 of the Franchise Agreement (“FA”)	Item 11
b. Pre-opening purchases/leases	Sections 7.3.10, 7.5.1, 7.5.4, and 7.7 of the FA	Items 7 and 8
c. Site development and other pre-opening requirements	Sections 4.4.1, 7.3.1, 7.5.1, 7.5.4, and 7.7 of the FA	Items 7 and 11
d. Initial and ongoing training	Sections 5.2 and 7.3.1 of the FA	Item 11
e. Opening	Section 7.3.2 of the FA	Item 11
f. Fees	Article 6 of the FA	Items 5, 6, and 7
g. Compliance with standards and policies/ operating manual	Sections 7.2, 7.3.3, 7.3.4, 7.3.5, 7.3.6, 7.3.7, 7.3.8, 7.3.11, 7.4, and 7.8 of the FA	Item 11
h. Trademarks and proprietary information	Sections 7.1, 7.3, 8.1, 8.4, and 8.5 of the FA	Items 13 and 14
i. Restrictions on products/services offered	Sections 7.3.3, 7.3.4, 7.3.7, and 7.3.10 of the FA	Item 16
j. Warranty and customer service requirements	Sections 7.3.6 and 7.3.11 of the FA	Not applicable
k. Territorial development and sales quotas	Section 7.2 of the FA	Item 12

<b>Obligation</b>	<b>Section in Agreement</b>	<b>Disclosure Document Item</b>
l. Ongoing product/service purchases	Sections 7.3.4, 7.3.5, and 7.3.10 of the FA	Item 8
m. Maintenance, appearance and remodeling requirements	Sections 4.4.2(c), 4.6.2(d), 7.3.3, and 7.3.7 of the FA	Item 17
n. Insurance	Section 7.7 of the FA	Item 8
o. Advertising	Sections 7.1.3 and 7.5 of the FA	Item 11
p. Indemnification	Section 8.7 of the FA	Item 13
q. Owner’s participation/management/ staffing	Section 7.4.1 of the FA	Item 15
r. Records and reports	Section 7.6 of the FA	Item 11
s. Inspections and audits	Sections 6.10 and 7.3.9 of the FA	Item 6
t. Transfer	Section 3.28 and Article 9 of the FA	Item 17
u. Renewal	Section 4.6.2 of the FA	Item 17
v. Post-termination obligations	Section 10.3 of the FA	Item 17
w. Non-competition covenants	Section 8.8 of the FA; Nondisclosure and Noncompetition Agreement (Exhibit F)	Item 17
x. Dispute resolution	Sections 11.2, 11.7 – 11.10, and 11.12 of the FA	Item 17

**ITEM 10  
FINANCING**

If you are approved to offer H-D Motorcycles as a Rental Vehicle Class at your Outlet, you are required to sign the Lease Agreement – Month to Month, which is included as Exhibit C to this Disclosure Document.

Under the lease, you must pay a \$200 per vehicle documentation fee in advance. The lease requires you to pay for shipping, titling, registering and insuring the vehicles, unless you make separate arrangements to pick up the vehicles and to pay any sales taxes. You must grant EF a security interest in the vehicles and any proceeds of, accessions and attachments to the vehicles as security for your obligations under the lease.

If you commit a material default under a lease, EF may terminate it. If a payment under the lease is late by ten days or more, it is subject to an administrative fee of \$35 per vehicle.

Upon termination because of default, EF may retain all prior payments you have paid and can also require that you return the vehicles and pay the remaining balance of all rent due, discounted to present value at three percent, together with any other amounts due under the lease. If you do not promptly return the vehicle to EF upon its request, you must also pay an amount equal to the depreciated value of the vehicle.

Under the lease, you will owe interest at 18% per year, or the highest amount allowed by applicable law, whichever is less, on any unpaid amounts. In addition, EF can collect damages, costs and attorneys' fees that it has to pay to enforce the lease and can repossess the vehicles as permitted by state law.

Under the lease, you agree to waive: (a) claims against EF for direct, consequential, special and indirect damages, (b) trial by jury, and (c) to the extent allowed under applicable law, all rights and remedies under Sections 2A-393 and 2A-508 through 2A-522 of the Uniform Commercial Code (including the right to repudiate the lease and reject the vehicles, to revoke acceptance of the lease, or to recover damages from EF for any breach of warranty). Your waiver under Sections 2A of the Uniform Commercial Code will include waiver of the equivalent sections of California Commercial Code Division 10 when California law is applicable. Additionally, you agree that any legal proceeding arising out of the lease will be brought in the federal or state courts in Los Angeles County, California.

At the end of the lease term you must:

(a) return the H-D Motorcycles to us, paying a mileage charge of \$0.29 - \$1.00 per mile in excess of 18,000 miles during the term of the lease and a de-fleet fee of \$375 per vehicle, and

(b) lease then-current model year H-D Motorcycles to replace the H-D Motorcycles that you were required to return.

### **Lease Guaranty**

If you sign a lease with EF, one or more of your principals will be required to sign a Guaranty Agreement. A sample of the Guaranty is included in Exhibit C to this Disclosure Document. The guarantor expressly waives acceptance, diligence, presentment, demand of payment, protest and notice, and any requirement to proceed against you before seeking payment from the guarantor. In addition to all liens on and rights of setoff against the guarantor's money, securities, and other property given to EF by law, EF has a right of setoff against all of the guarantor's money, securities, and other property now or later in the possession of or on deposit with you, whether held in a general or special account or deposit, for safekeeping, or otherwise. Every security interest and right of setoff may be exercised without demand on or notice to the guarantor.

Except as described above, neither we nor any affiliate offer direct or indirect financing to you. We do not finance your initial fees or guaranty your lease or other obligations. We do not receive any benefit, monetary or otherwise, from any lender.

## **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 Assistance**

1. Training: Before the opening of your Outlet, we will conduct an initial training program in the operation of an Outlet under the EAGLERIDER System as described below in this Item 11. (Franchise Agreement § 5.2)

2. Operations Manual: We will give you online access to our confidential and proprietary Operations Manual containing information that we believe may be necessary or helpful to you in the operation of your Outlet. You are responsible for making sure that you continually update your manual(s) once we have made such updates or revisions available to you. (Franchise Agreement § 5.3)

3. Suggested Suppliers: We will give you, in the Operations Manual or otherwise in writing, a list of names and addresses of suppliers of goods and services that currently meet our standards and specifications. (Franchise Agreement § 5.4)

4. Lay-out and Interior Decoration: We will give you guidance and facility specifications in the Operations Manual to assist you in designing, furnishing and equipping your Outlet. We must approve of your construction plans and specifications before construction begins. You are responsible for the cost of any architectural designs and drawings and interior design services that you obtain. (Franchise Agreement § 5.1)

5. Grand Opening Campaign: We will provide assistance and guidance on the development of a marketing program to celebrate the opening of your EAGLERIDER Outlet. We will determine the amount you will spend for your grand opening marketing campaign within a range of \$1,500 to \$2,500. (Franchise Agreement § 7.5.1)

6. Site Selection: We do not help you find a site for your Franchised Location. You must identify a site for your Franchised Location that complies with our standards and specifications and obtain our written approval before entering into a lease for your Franchised Location. We do not generally own the premises for your Outlet and lease it to you. No contractual limit exists on the time it takes us to approve or disapprove your proposed site. However, we typically take 15 to 30 days to approve or disapprove your proposed site, and we will extend your development deadlines when circumstances beyond your reasonable control delay the site selection and approval process. Franchises are commonly located in a commercial center, at or near an airport, mall or campground, or on a light industrial or commercial street with heavy traffic

near a major international airport or tourist destination. Our acceptance of a location does not infer or guarantee the success or profitability of an approved location. (Franchise Agreement § 4.4.1)

### **Time Before Opening**

We estimate that the average length of time between signing of a Franchise Agreement and opening your Outlet will be one to six months. Factors that may affect the length of time it takes to open your Outlet include financing, building permits, zoning and local ordinances, weather conditions, delayed installation of equipment, fixtures and signs, scheduling of training and the ability to obtain rental fleet inventory. You must begin operating your EAGLERIDER Outlet within nine months after you sign the Franchise Agreement. Your failure to secure an approved site for your Franchised Location and inability to open for business within this nine-month period may result in a default under and possible termination of your Franchise Agreement.

### **Continuing Assistance**

1. Consultation; Ongoing Assistance: We will use commercially reasonable efforts to make our personnel available to you at your request for consultation by telephone or email throughout the term of your Franchise Agreement for no additional charge. If you ask for on-site assistance or training, we may charge a fee commensurate with our then current published prices, currently a three hundred dollar (\$300) per diem per employee, for our employees' time, plus the cost of business class travel, lodging, meals and other incidental expenses our employees incur in providing this service. (Franchise Agreement § 5.8). The per diem charge is within our discretion and will be based upon the length and manner of on-site assistance or training required, the size of your rental fleet and your experience in the industry.

2. Advertising: We will provide you with a microsite that is linked to our website and an additional limited amount of advertising materials and services. (Franchise Agreement § 5.5)

3. Industry Information: We will provide you with on-going updates of information and programs regarding rental vehicles, marketing and promotional programs, the competition, the industry and related System, including information about special or new services that we develop and make available to franchisees. (Franchise Agreement § 5.14)

4. Training: We may periodically require you to attend additional training that we develop regarding the System or any special or new services that we develop and make available to franchisees. (Franchise Agreement § 5.2)

5. Annual Conferences: We hold annual conferences to discuss sales techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, advertising programs and merchandising procedures. (Franchise Agreement § 5.13)

6. EAGLERIDER Rental Management System License: We will provide to you, a license for the web-based EAGLERIDER Rental Management System that tracks daily receipts, reservation information and fleet availability. See Item 6. The system is specifically designed for online motorcycle and powersport rental reservations and bookings. We will direct to you, any bookings for your Rental Vehicle Classes if the prospective customer is near your Franchised

Location and to the extent that we determine, in our sole discretion, that you are able to fulfill them. (Franchise Agreement § 5.6)

7. Central Reservations Program: For participating Outlets, we will conduct a Central Reservations Program, or similar program, to generate additional rental revenue for such Outlets. We will direct to you all bookings made through the Central Reservations Program for your Rental Vehicle Classes, if any, if the prospective customer is near your Franchised Location. We do not provide any guarantee that our efforts will result in additional rental revenue for your Outlet. (Franchise Agreement § 5.7)

8. EAGLERIDER Products Availability: We will use commercially reasonable efforts to ensure that a designated supplier will at all times have a supply of EAGLERIDER Products for sale to you. (Franchise Agreement § 5.9)

### **Advertising and Promotion**

We will provide online advertising and marketing channels to you, including a microsite that is linked to our website and which conforms to our standards and specification and is compatible with our online reservations system, search engine optimization, pay per click marketing, link strategy, email broadcast and press releases to industry and consumers. We will also provide a limited amount of advertising material and services to you. These may include video and audiotapes, copy-ready print advertising materials, posters, banners and miscellaneous point-of-sale items. You will receive one sample of each at no charge.

We currently invest significant resources into online marketing and require that you obtain our prior written approval of any online advertising campaigns you desire to conduct. You must comply with our Search Engine Marketing Guidelines which are included as part of the Operations Manual.

#### **Grand Opening Marketing Campaign**

We and you will develop a marketing program to celebrate the opening of your EAGLERIDER Outlet (“**Grand Opening Marketing Campaign**”). The minimum expenditure requirement for the Grand Opening Marketing Campaign will be determined by us and will be stated on Attachment 1 to your Franchise Agreement. Within 30 days of the completion of your grand opening marketing campaign, you will submit to us a summary of your grand opening marketing expenditures. We provide cooperative advertising of 25% of what you spend, up to a maximum of \$1,250.

#### **Advertising Fund**

We do not currently collect, maintain or spend advertising contributions (“**Advertising Fund**”) on behalf of our franchisees. We may, on 30 days written notice to you, create an Advertising Fund and require you to contribute to it. If we create an Advertising Fund and you make a request in writing, we will send you an annual, unaudited financial statement for the Advertising Fund which indicates how the Advertising Fund has been spent during the previous calendar year. We advertise nationally and internationally on behalf of the EAGLERIDER brand



as we consider advisable, in our sole discretion. As of the date of this disclosure document, there is no advertising council composed of franchisees which advises us on advertising policies.

### Local Advertising

You must spend at least 5% of your monthly Gross Rental Revenue on local advertising and promotion. You may not advertise on a national or international basis. As part of your local advertising, you must maintain at all times a professional tourist and hotel rack card brochure distribution service even if your Outlet's business is highly seasonal. All advertising and promotion by you in any medium must be conducted in a dignified manner and must conform to our standards and requirements as described in the Operations Manual and the Franchise Agreement. You must obtain our approval of all advertising and promotional plans and materials before their use, unless the plans and materials were prepared or previously approved by us during the 12 months before their proposed use. You must submit to us copies of all advertising materials (including any electronic or digital content) that you propose to use at least two weeks before the first time they are broadcast, published or otherwise used. We will review the materials within seven days and notify you in writing as to whether we approve or reject them, unless your proposed advertising materials also require the review of Harley Davidson®, in which case the review of your proposed advertising materials may take longer. We will not unreasonably withhold our approval. Even if we approve specified materials, we may later withdraw our approval if we reasonably believe this is necessary to make the advertising conform to changes in the EAGLERIDER System or to correct unacceptable features of the advertising, including any misrepresentation in the advertising material. You will not use any materials in any medium that we have not developed or approved, and will promptly discontinue use of any advertising plans or materials, whether or not previously approved, upon notice from us. To the fullest extent allowed by applicable law, we may implement limited time offers and other discounts and promotions, and require you to participate in all such supplemental marketing programs. You must receive our prior written approval for advertising activities that may conflict with our national marketing efforts, such as pay-per-click advertising, as we may periodically require.

### Advertising Association

We reserve the right to require the establishment of a cooperative advertising association (“**Association**”) in the marketing area where you are located. An Association, if established, will consist of other EAGLERIDER Outlets (and, if applicable, facilities operated by us) that are within a geographic area, the scope of which we will determine. We also reserve the right to establish advertising cooperatives in particular regions to enable the cooperative to self-administer a regional advertising program. If we establish a cooperative, you must participate in it. As of the date of this Disclosure Document, we had not established any regional advertising Associations or cooperatives.

### Club EagleRider

You must participate in Club EAGLERIDER, our rental membership program that provides customers with the ability to pay an initial fee and a monthly fee in exchange for free\* monthly rentals, other exclusive benefits and national discounts on tours and apparel, customer referral benefits and invitations to exclusive club events and motorcycle rallies (\*the Club

EAGLERIDER member must pay taxes, insurance, surcharges and other fees in connection with the free rental).

### **Computer System**

The EAGLERIDER Rental Management System which you will use in your Outlet is a web-based reservation and booking system for online reservations specifically designed for motorcycle and powersport rentals. The EAGLERIDER Rental Management System is used to track daily receipts, reservation information and fleet availability. The EAGLERIDER Rental Management System generates, and we use it to collect, daily business reports, cash summaries and a dynamic customer database. Payment will be made by your customers on a per-booking basis. You will give us access to your location's information by modem. We have independent access to information through the EAGLERIDER Rental Management System and POS System concerning sales, reservations, bookings, rentals, rental fleet, customers and inventory for your EAGLERIDER Outlet. We do not have the right to access other types of data on your computer. We have been using this system since 2006.

You must use the EAGLERIDER Rental Management System for your rental fleet. The initial cost to set up the EAGLERIDER Rental Management System is \$2,000 and the continuing support for the system is \$275 per month. You must also acquire hardware and software and upgrade your hardware and software, all at your own expense, to use the EAGLERIDER Rental Management System (or any successor computerized reservation and booking system) as technological advances require or upon 30 days' notice from us. You do not have to upgrade your hardware or software more often than once a year. We estimate that you will pay approximately \$1,000 a year to maintain your computer system. We have no contractual obligation for any maintenance, repairs, upgrades or updates to your computer system.

### **Operations Manual**

After you sign the Franchise Agreement, we will grant you access to our Operations Manual. A copy of the table of contents of our Manual is attached as Exhibit D to this Disclosure Document. We consider the contents of the Operations Manual to be proprietary and our trade secrets, and you must treat it as confidential. You may not make any unauthorized copies of the Manual. There are 267 pages in our Operations Manual.

### **Franchise System Advisory Council**

As of the date of this Disclosure Document, we do not sponsor a franchise system advisory council ("Advisory Council"). We retain the authority to form, change and dissolve an Advisory Council.

### **Training Program**

We will determine, in our sole discretion and based on our evaluation of your prior experience, how much training your personnel require and how it should be administered. The initial training program is administered online or electronically (including by live video conference or other methods) through EAGLERIDER University. However, if you request in person training,

the initial training program will be administered through EAGLERIDER University at our headquarters in Hawthorne, California. The location and form of training will depend upon our assessment of your experience level and needs, the size of your rental fleet, and may also be impacted by the number of trainees that are scheduled to attend the training. We offer you the initial training program within a reasonable amount of time after you sign the Franchise Agreement. We schedule our initial training program on an as-needed basis. It takes three days to complete the entire initial training program. The purpose of the initial training program is to provide instruction relating to the EAGLERIDER standards and specifications, trademark protection and brand consistency across EAGLERIDER Outlets. Additionally, if you are approved to rent H-D Motorcycles at your Outlet, you will need to attend supplemental training at Harley Davidson® headquarters in Milwaukee, Wisconsin.

You or your Designated Manager must attend and successfully complete the training program to our satisfaction before you may open an Outlet. For in person training, there is no charge for training up to four attendees (or more if the class has already been scheduled and has space available). If we must schedule an additional class for additional trainees to attend in person training, we may charge \$1,000 for each additional trainee. If we decide to assess a fee, the amount of the fee charged (up to \$1,000) will be based upon the trainee's needs and the length of time involved with the training. You must pay salaries and all transportation and living expenses which are incurred by you and your personnel in connection with in person attendance at the training program and, if you are required to attend supplemental training at Harley Davidson® headquarters in Milwaukee, Wisconsin, your travel and living costs will be higher. We will make the initial training program available to replacement or additional Designated Managers during the term of the Franchise Agreement. We charge a tuition or fee of up to \$1,000 per person for this training, payable in advance. The availability of the training program to replacement or additional Designated Managers will be subject to prior commitments to new franchisees and is scheduled on a space available basis. See Item 15 for a description of Designated Managers.

We may occasionally present seminars, conventions, continuing development programs or conduct meetings for your benefit. You or your Designated Manager must attend certain seminars, conventions, programs or meetings offered by us during the term of your Franchise Agreement, when we announce them as being mandatory. We will give you at least 30 days written notice before any seminar, convention, program or meeting at which we will require attendance. We will not require that you attend in person, at your expense, any mandatory national training program more than once a year.

We hold annual conferences to discuss sales techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, advertising programs and merchandising procedures. There is currently no conference fee, but we reserve the right to charge a conference fee in the future. You must pay salaries and all transportation and living expenses which are incurred by you and your personnel in connection with attendance at the annual conference. The conferences are held at our headquarters in Hawthorne, California or at a location near a well-established franchise location. Attendance is mandatory for at least one member of your staff who has already completed the initial training program.

The experience of our instructors, Jeff Brown and Daniel Diaz is described in Item 2 of this Disclosure Document. Our other training instructors are Timmy Troung, our Controller who

has been with us for 24 years, Shawn Fechter, our Senior Vice President of Brand Experience who has been with us for 14 years, and Tamara Stockstill, our Senior Vice President of Global Travel Sales who has been with us for 27 years.

Instructional materials provided during the initial training program include our Operations Manual and related forms. There is no additional charge for these items.

If we decide that your personnel must complete the entire training program, they will be trained on all of the subjects listed in the table below:

**TRAINING PROGRAM**

<b>SUBJECT</b>	<b>HOURS OF CLASSROOM TRAINING</b>	<b>HOURS OF ON-THE-JOB TRAINING</b>	<b>LOCATION*</b>
Introduction	0.5	0	Online or Electronically
Introduction to Rental Process	1	0	Online or Electronically
Reservation System	3.5	6	Online or Electronically
Tours	0.5	0	Online or Electronically
Tour Operators and Wholesalers	1	0	Online or Electronically
Safety and Insurance	1	0	Online or Electronically
Marketing and Promotion	2	0	Online or Electronically
Basic Management	1.5	0	Online or Electronically
Fleet & Service Departments	0.5	0	Online or Electronically
Operations: Accounting	3	0	Online or Electronically
Operations: Daily Reporting and Support	1	0	Online or Electronically
Merchandising	0.5	0	Online or Electronically
Business Setup and Requirements	1	0	Online or Electronically
EagleRider Web Portals	0.5	0	Online or Electronically
<b>TOTAL</b>	<b>17.5</b>	<b>6</b>	

\*If you request to attend the initial training program in person, the initial training program will be conducted at our headquarters in Hawthorne, California.

## **ITEM 12 TERRITORY**

### **Approved Location**

Your Outlet will be at an approved location designated on Attachment 1 to the Franchise Agreement. We do not grant you a minimum territory for your Outlet. You will not receive an exclusive territory or any protected territory under your Franchise Agreement. You may face competition from other franchisees, from Outlets that we own or from other channels of distribution or competitive brands that we own. Your Franchised Location will be determined by us in our sole and final judgment before you sign the Franchise Agreement. You have no option, right of first refusal or similar contractual right to acquire additional EAGLERIDER franchises.

### **Relocation**

You may relocate your Outlet only with our prior written consent, which will be granted only if the following conditions are fulfilled:

(a) You must be in good standing under the terms of your Franchise Agreement, any other agreement between us or our affiliate and you, and the Operations Manual;

(b) You and any Related Parties must sign (1) a cancellation of your original Franchise Agreement, and (2) a new Franchise Agreement in the form that is currently effective at the time of relocation;

(c) Subject to applicable laws and regulations, pre-existing contractual obligations and your landlord's consent, you must agree to equip and furnish your new Outlet so that the premises meet the standards of appearance and function applicable to new EAGLERIDER Outlets at the time of relocation;

(d) You and your Related Parties must sign a special release of claims (except non-waivable statutory claims), in the form of Exhibit E to this Disclosure Document, with respect to past dealings with us and our Related Parties;

(e) You must pay us a relocation fee of up to \$4,000 to defray the cost to us of site inspection and design review; and

(f) We must give our prior written approval of the new site.

### **Reserved Rights**

We reserve all rights in the Marks and System not expressly granted in the Franchise Agreement, without payment of compensation to you, including the rights to:

(a) Solicit customers, advertise and promote sales anywhere;

(b) Operate or allow other franchisees to operate at any location and offer your Rental Vehicle Classes to fulfill bookings made through the Central Reservations Program;

(c) Provide or allow other franchisees to provide motorcycles, H-D Motorcycles (if applicable) or your other Rental Vehicle Classes at any location to fulfill bookings that you are unable or unwilling to fulfill;

(d) Operate an Outlet at a trailer, kiosk, mobile rental unit, trade show booth, or similar temporary location at any location on a temporary basis;

(e) Sell or rent Products and services through any means of distribution not specifically prohibited by another provision of the Franchise Agreement, including wholesale distribution to other retail outlets, by catalog transactions or by Internet transactions;

(f) Use and license the use of different proprietary marks in connection with the sale of products and services similar to, the same as or dissimilar from, those which you sell, through the operation of businesses which are the same as, similar to, or different from the Outlets (for example, if we acquire or are acquired by another business that provides products and services similar to or the same as those provided by an Outlet), at any location and on any terms and conditions as we determine;

(g) Use and to license others to use the Marks and System in connection with the operation of an Outlet, at any location;

(h) To allow our parent company, EagleRider Holdings, LLC, to operate, at any location, its EAGLESHARE powersport and motorcycle marketplace which connects the owners of motorcycles and powersport vehicles to third party rental customers; and

(i) Engage in any other activity, action or undertaking that we are not expressly prohibited from taking under the Franchise Agreement.

### **National Accounts**

We reserve the right under the Franchise Agreement to enter into contracts or strategic alliances with National Accounts to provide for or encourage rentals to customers they refer to us. A “**National Account**” is a business or organization that: (1) conducts operations, directly or through agents, affiliates, independent contractors, franchisees or licensees, in multiple geographic areas in the United States in which we or our franchisees are operating EAGLERIDER Outlets; and (2) has a written contract or strategic alliance with us for the purpose of providing referrals of customers within such geographic areas. We will contact you and provide you with a right of first refusal to service customers referred to us by the National Account near your Franchised Location (in accordance with our National Account Guidelines) unless you are not eligible to provide the services. To be eligible, you must be able to provide services to the customers based on rules (which include availability of Rental Vehicle Classes) or other terms and conditions agreed to between us and the National Account.

If you cannot service customers in near your Franchised Location based on our National Account agreement or program, or violate the agreement or rules of the National Account, then you will not provide services to those customers during the term of the National Account agreement or program and will not be entitled to receive any portion of the resulting revenue. We

cannot guarantee that we will develop or maintain contracts or strategic alliances with a particular number of National Accounts, if any, or that if we do, that you will receive any National Account referrals.

### **Minimum Performance Obligation**

If you offer only one Rental Vehicle Class, you must maintain a minimum of 8 insured vehicles with an average annual rental utilization of 20 percent. If you offer two or more Rental Vehicle Classes, you must maintain a minimum of 6 insured vehicles per Rental Vehicle Class with an average annual rental utilization per Class of 20 percent. To determine your annual rental utilization per Class, we use the following calculation: [(number of business days your Outlet was open during a specified period of time) x (the number of vehicles in the Rental Vehicle Class during that period)] ÷ (number of contracts or days during that period each vehicle in the Rental Vehicle Class was rented).

If you do not meet the requirements in the preceding paragraph (“**Minimum Performance Obligation**”) with respect to any Rental Vehicle Class for a given year, we will give you 90 days’ written notice and opportunity to cure. If you do not meet the Minimum Performance Obligation during the cure period, calculated on an annualized basis, we may, at our option, terminate your rights in either that Rental Vehicle Class or under the Franchise Agreement upon 30 days’ written notice.

### **Restrictions on Marketing**

You may not establish your Outlet’s business premises at any site other than the Franchised Location without our prior written approval or engage in mail order, Internet, catalog sales or rack cards using our Marks except as part of our coordinated marketing effort. We do not restrict you or any other franchisees from conducting approved marketing activities at any location.

### **Competition**

One of our parent companies, EagleRider Holdings, LLC, owns and operates a powersport and motorcycle marketplace called EAGLESHARE. The EAGLESHARE marketplace connects the owners of motorcycles and powersport vehicles to third party rental customers. The online EAGLESHARE sharing platform allows rental customers to make reservations from pre-screened owners, but does not offer any of the following items and services which can only be obtained through an EAGLERIDER Outlet: (a) motorcycle tours (whether guided or self-guided) and related support, (b) custom trips, (c) Club EAGLERIDER memberships, (c) motorcycle apparel and merchandise, and (d) the rental of current model year Harley-Davidson® touring and cruiser motorcycles, where applicable. EAGLERIDER franchisees also utilize the EAGLESHARE marketplace as a referral source for bookings through the EAGLERIDER website. Other third-party owners of motorcycles and powersport vehicles also utilize the EAGLESHARE marketplace. Other than EAGLESHARE, neither we nor any affiliate competes with you under another name or marks, although we reserve the right to do so in the future. In the past, our affiliate BroMac operated an online travel website that provided booking services to EAGLERIDER Outlets and other motorcycle rental outlets that may have competed with EAGLERIDER franchisees. BroMac reserves the right to operate a similar online travel site in the future.



**ITEM 13  
TRADEMARKS**

Under the Franchise Agreement, we license to you the right to use our Marks, including our principal identifying mark “EAGLERIDER” and other trademarks, service marks and commercial symbols we may authorize. Additionally, as described in the Franchise Agreement, BroMac is permitted to sublicense to you the right to use certain Harley-Davidson® trademarks for the operation of the EAGLERIDER Rental Program at your Franchised Location, as described in the Operations Manual, if you are approved to offer H-D Motorcycles at your Outlet. You are required to abide by the restrictions on use of the Harley-Davidson® trademarks as described in the Franchise Agreement and Operations Manual.

We do not have a federal registration for our principal trademark. Therefore, our trademark does not have as many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses. The following principal trademark is not federally registered:

Mark	Design	
EAGLERIDER RENTALS & TOURS USA EST 1992 and design		Not Registered

Our affiliate, BroMac, has registered all of the following principal trademarks on the Principal Register of the United States Patent and Trademark Office (“USPTO”):

Mark	Design	Registration Number	Date of Registration
EAGLERIDER	N/A	1957849	02/20/1996
EAGLERIDER MOTORCYCLES USA and design		3996475	07/19/2011
WE RENT DREAMS	N/A	3046089	01/17/2006
EAGLERIDER	N/A	4353141	06/18/2013
EAGLERIDER MOTORCYCLES USA EST 1992 and design		5103127	12/20/2016
EAGLERIDER	N/A	5287050	09/12/2017

All required affidavits of use and renewals of registration have been filed.



Under a perpetual license agreement dated December 1, 1998, BroMac licensed to us the right to franchise its Marks. Under our license agreement with BroMac, we have the right to license the Marks to you for the term of your Franchise Agreement, including any extensions or renewals.

You must use the mark “EAGLERIDER” as the principal identification of your Outlet. You must also, however, identify yourself as the independent owner of the Outlet, in the manner we may require. You may not use any of the Marks as part of any corporate or trade name, nor may you use any of the Marks to identify unauthorized services or products or in any other manner not expressly authorized in writing by us. Without our prior consent, you may not use or register any of the Marks as part of an electronic mail address or domain name or use any of the Marks on any sites on the Internet, or with any prefix, suffix, or other modifying words, terms, designs or symbols (other than logos licensed to you), or in any modified form. We will establish and maintain the standards and specifications for your use of the Marks on the Internet.

We have the right to change the Marks and their related specifications at our sole discretion. We will try to do this in a manner that minimizes cost to you. You must promptly conform, at your own expense, to any such changes.

Any apparent infringement of or challenge to your use of any Mark should be brought to our attention immediately. The Franchise Agreement does not obligate us to protect you against claims of infringement or unfair competition with respect to your use of the Marks, but it is our policy to do so when, in the opinion of our counsel, your rights require protection. We pay all costs, including attorneys’ fees and court costs, associated with any litigation we commence or defend on your behalf to protect the Marks and your right to use them. You must cooperate with us in any litigation. You may not communicate with any person other than us or our counsel regarding any such matter. You may not settle any claim without our written consent. We have sole discretion to take any appropriate action. We have the right to control exclusively any litigation, USPTO proceeding or any other administrative proceeding arising out of any infringement, challenge or claim relating to any Mark.

There are no presently effective determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, any pending infringement, opposition or cancellation proceedings or material litigation involving the Marks. We do not know of any other infringing uses, potentially infringing uses or superior or prior rights that could materially affect your use of the Marks in any state.

#### **ITEM 14**

#### **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

We do not own any patents or copyright registrations, nor do we have any pending patent applications, that are material to the franchise. We consider much of the information contained in our Operations Manual and related materials, training materials, and our System to be our proprietary and confidential property. They may be used by you only as described in the Franchise Agreement. We require that you maintain the confidentiality of our information and adopt reasonable procedures to prevent unauthorized disclosure of these secrets. Accordingly, we require you, your Related Parties and, if applicable, your Designated Manager to sign our standard

Nondisclosure and Noncompetition Agreement, a copy of which is attached to this Disclosure Document as Exhibit F.

Although we have not obtained a copyright registration, we own the copyright in our Operations Manuals, training materials, advertising materials and other works. We are not aware of any infringing uses of our copyrights.

## **ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS**

You are not required to participate personally in the operation of your franchised Outlet. If you do not participate personally in the operation of your franchised Outlet, the Franchised Location must be directly supervised by a designated manager who has successfully completed our training program (“**Designated Manager**”). The Designated Manager is not required to have an ownership interest in your EAGLERIDER Outlet. You, your Related Parties and, if applicable, the Designated Manager may not have an interest in or a business relationship with any of our business competitors. You, your Related Parties and, if applicable, your Designated Manager must sign our standard Nondisclosure and Noncompetition Agreement, a copy of which is attached to this Disclosure Document as Exhibit F.

You and your Related Parties may be required to sign an agreement (Attachment 7 to Franchise Agreement) personally guaranteeing and agreeing to perform all obligations of the franchisee under the Franchise Agreement. If you are a corporation, all officers and shareholders owning 10% or more of the corporation, or, if you are a partnership, all of your general partners, or, if you are a limited liability company, all your members, must sign a personal guaranty.

## **ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You may rent and sell only those products and services approved by us and may not use the Marks, System or the H-D Marks, if applicable, for any purposes other than operating your EAGLERIDER Outlet. You must acquire H-D Motorcycles from us, our affiliates or a Harley-Davidson® dealer, you must rent H-D Motorcycles to customers and you may provide customers with Other Vehicles only in the Rental Vehicle Classes that we have designated on Attachment 1 to the Franchise Agreement. You must participate in our Central Reservation Program. You must accept Visa, MasterCard, American Express and Discover credit cards.

You may not provide rental services to customers who are not legally permitted to use them, such as individuals without valid driver’s licenses. Unless we give you prior written approval, you may not provide, under or in association with our Marks, motor vehicle repair or maintenance services for vehicles that you do not own or lease. Unless we give you prior written approval, you may not offer or sell, under or in association with our Marks or otherwise, new or used motor vehicles. You may not sell H-D Motorcycles and you may not purchase used H-D Motorcycles. You may not sell any apparel that is branded with the trademark(s) or logo(s) of any entity or person that sells motorcycles, other than Harley-Davidson®, as more fully described in the Franchise Agreement and Operations Manual. You may not state or imply, by word or conduct

that any other products or services we have not authorized you to provide are offered under our Marks.

You must refrain from renting or selling any products or services we have not approved. If you are not in compliance with the Operations Manual, we may limit the products or services you may rent or sell temporarily or permanently. We have the right to change or supplement the types of authorized motorcycles, products and services and approved suppliers from time to time, and there are no limits on our right to do so. Other than the above, there are no restrictions on goods or services offered by you or on the customers to whom you may sell.

## **ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

### **THE FRANCHISE RELATIONSHIP**

**This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.**

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
a. Length of the franchise term	Section 4.6.1	Term of Franchise Agreement is ten years.
b. Renewal or extension of the term	Sections 4.6.2 and 4.6.3	If you meet specified conditions, you may add consecutive additional 10-year terms.
c. Requirements for franchisee to renew or extend	Section 4.6.2	Upon renewal, you will be asked to sign a new Franchise Agreement that may have materially different terms and conditions. Other conditions: be in good standing, give timely notice, remodel Outlet and equipment, sign release and pay renewal fee.
d. Termination by franchisee	None	Not applicable
e. Termination by franchisor without cause	None	Not applicable
f. Termination by franchisor with cause	Section 10.2	We may terminate only upon uncured or non-curable material event of default.
g. Cause defined - curable defaults	Section 10.2.2(a)-(e)	Subject to applicable state law, you have 5 days to cure payment defaults, 30 days to cure all other curable defaults except failure to meet the minimum performance obligation, and 90 days to cure failure to meet the minimum performance obligation.
h. Cause defined - non-curable defaults	Section 10.2.2(f)-(p)	Non-curable defaults include failure to successfully complete initial training, misuse of marks, misrepresentation in securing franchise, abandonment, repeated defaults, unapproved transfer, bankruptcy/insolvency, (may not be enforceable under federal bankruptcy law), conviction or criminal conduct, and violation of your non-competition covenants.

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
i. Franchisee's obligations on termination/non-renewal	Section 10.3	Complete deidentification, payment of amounts due, honoring option to purchase, assigning phone numbers, return operations manual, honoring our option to assume vehicle leases, maintain records and delete or assign listings in telephone directories.
j. Assignment of contract by franchisor	Section 9.8	We may assign to company that we reasonably believe can perform obligations and that promises in writing to perform obligations.
k. Transfer by franchisee - defined	Section 3.28	Includes lien or transfer of agreement or sale of assets or ownership change.
l. Franchisor approval of transfer by franchisee	Section 9.3	We have the right to approve all Transfers but will not unreasonably withhold approval.
m. Conditions for franchisor approval of transfer	Section 9.5	New franchisee qualifies, transfer fee paid, purchase agreement approved, training completed, release signed, new franchisee signs then current agreement and you agree to abide by the post-termination non-competition covenant.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 9.4	We have the right to match any offer to buy your business.
o. Franchisor's option to purchase franchisee's business	Section 10.3(h)	We have an option to buy any assets of your Outlet upon termination.
p. Death or disability of franchisee	Section 9.7	Heirs must qualify or have approximately 6 months to sell.
q. Non-competition covenants during the term of the franchise	Section 8.8	No involvement in any competing business.
r. Non-competition covenants after the franchise is terminated or expires	Section 8.8	No involvement for two years in any competing business that is located within 50 miles of any Outlet.
s. Modification of the agreement	Section 11.4	Modification of agreement only by written agreement of parties. Manual may change from time to time.
t. Integration/merger clause	Section 11.6	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representation or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representation made in the Franchise Disclosure Document, its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	Sections 11.7, 11.8	Before filing any arbitration proceeding, the parties must participate in mediation in Los Angeles County. If this does not work, disputes will be resolved by the AAA by binding arbitration under the AAA rules for commercial arbitration.

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
v. Choice of forum	Sections 11.7, 11.8	All disputes will be resolved through binding arbitration by the AAA in Los Angeles County, California (subject to applicable state law).
w. Choice of law	Section 11.2	The law of your State, with specified exceptions (subject to applicable state law).

**ITEM 18  
PUBLIC FIGURES**

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

**ITEM 19  
FINANCIAL PERFORMANCE REPRESENTATIONS**

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

We do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or affiliate-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 Chris McIntyre, 11860 S. La Cienega Boulevard, Hawthorne, California 90250, Telephone (310) 536-6777, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20  
OUTLETS AND FRANCHISEE INFORMATION**

**Table 1**

**SYSTEMWIDE OUTLET SUMMARY  
FOR YEARS 2021 TO 2023<sup>(1)</sup>**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised <sup>(2)</sup>	2021	21	19	-2
	2022	19	18	-1
	2023	18	16	-2
Company-Affiliated <sup>(3)</sup>	2021	129	135	+6
	2022	135	77	-58
	2023	77	72	-5
<b>Total Outlets</b>	<b>2021</b>	<b>150</b>	<b>154</b>	<b>+4</b>
	<b>2022</b>	<b>154</b>	<b>94</b>	<b>-59</b>
	<b>2023</b>	<b>94</b>	<b>87</b>	<b>-7</b>

(1) All numbers are as of December 31st of each year.

(2) The Notes to Financial Statements attached to this Disclosure Document as Exhibit I reflect a higher number of Franchised Outlets because, for accounting purposes, certain BroMac owned and operated Outlets are categorized as Franchised Outlets.

(3) All company-affiliated Outlets are owned and operated by BroMac.

**Table 2**

**TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS  
(OTHER THAN FRANCHISOR)  
FOR YEARS 2021 TO 2023<sup>(1)</sup>**

State	Year	Number of Transfers
Colorado	2021	0
	2022	1
	2023	0
<b>Totals</b>	<b>2021</b>	<b>0</b>
	<b>2022</b>	<b>1</b>
	<b>2023</b>	<b>0</b>

(1) All numbers are as of December 31st of each year.

**Table 3**

**STATUS OF FRANCHISED OUTLETS  
FOR YEARS 2021 TO 2023<sup>(1), (2)</sup>**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
Arizona	2021	2	0	1	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
California	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	1	0	0	0	0
Colorado	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Florida	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Georgia	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Hawaii	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Maryland	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Massachusetts	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Minnesota	2021	1	0	0	0	0	0	1
	2022	1	0	1	0	0	0	0
	2023	0	0	0	0	0	0	0
Nevada	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
New Hampshire	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
New Jersey	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Ohio	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	1	0	0	0	0
Wyoming	2021	1	0	1	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	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 Year
Totals	2021	21	0	2	0	0	0	19
	2022	19	0	1	0	0	0	18
	2023	18	0	2	0	0	0	16

- (1) All numbers are as of December 31st of each year.
- (2) Operation of 2 of these franchises, a business in Atlanta, Georgia and a business in Newark, New Jersey, have been suspended by mutual agreement between us and the franchisee.

**Table 4**

**STATUS OF COMPANY-AFFILIATED OUTLETS  
FOR YEARS 2021 TO 2023<sup>(1)</sup>**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Alaska	2021	1	1	0	0	0	2
	2022	2	0	0	1	0	1
	2023	1	0	0	0	0	1
Arkansas	2021	2	0	0	0	0	2
	2022	2	0	0	1	0	1
	2023	1	0	0	0	0	1
Arizona	2021	3	1	0	0	0	4
	2022	4	0	0	1	0	3
	2023	3	0	0	1	0	2
California	2021	12	0	0	0	0	12
	2022	12	2	0	4	0	10
	2023	10	0	0	2	0	8
Colorado	2021	4	1	0	0	0	5
	2022	5	0	0	2	0	3
	2023	3	0	0	0	0	3
Connecticut	2021	1	0	0	0	0	1
	2022	1	0	0	1	0	0
	2023	0	0	0	0	0	0
Florida	2021	14	1	0	0	0	15
	2022	15	0	0	5	0	10
	2023	10	0	0	1	0	9
Georgia	2021	4	0	0	0	0	4
	2022	4	0	0	2	0	2
	2023	2	0	0	1	0	1



State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Illinois	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Indiana	2021	3	0	0	0	0	3
	2022	3	0	0	2	0	1
	2023	1	0	0	0	0	1
Iowa	2021	2	0	0	0	0	2
	2022	2	0	0	1	0	1
	2023	1	0	0	0	0	1
Kansas	2021	1	0	0	0	0	1
	2022	1	0	0	1	0	0
	2023	0	0	0	0	0	0
Kentucky	2021	1	0	0	0	0	1
	2022	1	0	0	1	0	0
	2023	0	0	0	0	0	0
Louisiana	2021	6	0	0	0	0	6
	2022	6	0	0	5	0	1
	2023	1	0	0	0	0	1
Maryland	2021	1	0	0	0	0	1
	2022	1	0	0	1	0	0
	2023	0	0	0	0	0	0
Michigan	2021	2	0	0	0	0	2
	2022	2	0	0	1	0	1
	2023	1	0	0	0	0	1
Minnesota	2021	5	0	0	0	0	5
	2022	5	0	0	2	0	3
	2023	3	1	0	0	0	4
Missouri	2021	2	0	0	0	0	2
	2022	2	0	0	1	0	1
	2023	1	0	0	0	0	1
Mississippi	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1
	2023	1	0	0	0	0	1
Montana	2021	2	1	0	0	0	3
	2022	3	0	0	1	0	2
	2023	2	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Nebraska	2021	1	0	0	0	0	1
	2022	1	0	0	1	0	0
	2023	0	0	0	0	0	0
Nevada	2021	3	0	0	0	0	3
	2022	3	0	0	1	0	2
	2023	2	0	0	0	0	2
New Hampshire	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
New Jersey	2021	5	0	0	0	0	5
	2022	5	0	0	4	0	1
	2023	1	0	0	1	0	0
New Mexico	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
New York	2021	7	0	0	0	0	7
	2022	7	0	0	4	0	3
	2023	3	0	0	1	0	2
North Carolina	2021	1	0	0	0	0	1
	2022	1	3	0	1	0	3
	2023	3	0	0	0	0	3
Ohio	2021	9	0	0	0	0	9
	2022	9	0	0	6	0	3
	2023	3	1	0	0	0	4
Oklahoma	2021	2	0	0	0	0	2
	2022	2	0	0	2	0	0
	2023	0	0	0	0	0	0
Oregon	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
Pennsylvania	2021	4	0	0	0	0	4
	2022	4	0	0	3	0	1
	2023	1	0	0	0	0	1
South Carolina	2021	1	0	0	0	0	1
	2022	1	0	0	1	0	0
	2023	0	0	0	0	0	0
South Dakota <sup>(1)</sup>	2021	1	2	0	2	0	1
	2022	1	1	0	0	0	2
	2023	2	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Tennessee	2021	4	0	0	0	0	4
	2022	4	0	0	3	0	1
	2023	1	0	0	0	0	1
Texas	2021	7	0	0	0	0	7
	2022	7	1	0	3	0	5
	2023	5	0	0	0	0	5
Utah	2021	2	0	0	0	0	2
	2022	2	0	0	1	0	1
	2023	1	0	0	0	0	1
Virginia	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
Washington	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
West Virginia	2021	2	0	0	0	0	2
	2022	2	0	0	1	0	1
	2023	1	0	0	0	0	1
Wisconsin	2021	6	1	0	0	0	7
	2022	7	0	0	2	0	5
	2023	5	0	0	0	0	5
<b>Totals</b>	<b>2021</b>	<b>129</b>	<b>8</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>135</b>
	<b>2022</b>	<b>135</b>	<b>1</b>	<b>0</b>	<b>66</b>	<b>0</b>	<b>77</b>
	<b>2023</b>	<b>77</b>	<b>2</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>72</b>

(1) A location in Rapid City, South Dakota closed in 2021 and then reopened in Sturgis, South Dakota in 2021.

**Table 5**

**PROJECTED OPENINGS AS OF DECEMBER 31, 2023**

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company-Affiliated Outlets In The Next Fiscal Year
Colorado	0	0	1
Florida	0	1	1
New York	1	0	0
Wyoming	0	1	0
<b>Totals</b>	<b>1</b>	<b>2</b>	<b>2</b>

Attached as Exhibit G to this Disclosure Document are the names, addresses and telephone numbers of all current franchisees as of December 31, 2023.

Attached as Exhibit H to this Disclosure Document are the names, cities and states and current business telephone numbers (or if unknown, last known home telephone numbers) of every franchisee who has had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within ten weeks of the issuance date of this Disclosure Document.

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

Some franchisees have signed confidentiality clauses in agreements with us during the past three years. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with EagleRider, Inc. 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.

No independent franchisee organizations have asked to be included in this Disclosure Document. As of the date of this Disclosure Document, there are no trademark-specific franchisee organizations associated with the franchise system that have been created, sponsored or endorsed by us.

## **ITEM 21 FINANCIAL STATEMENTS**

Attached to this Disclosure Document as Exhibit I are our audited financial statements for the fiscal years ending December 31, 2023, December 31, 2022, and December 31, 2021. Also included in Exhibit I are our unaudited financial statements for the period ended April 30, 2024.

## **ITEM 22 CONTRACTS**

Attached to this Disclosure Document are the following franchise-related contracts:

- Exhibit B      Franchise Agreement
- Exhibit C      EagleRider Finance Motorcycle Lease and Lease Guaranty
- Exhibit E      Special Release of Claims
- Exhibit F      Nondisclosure and Noncompetition Agreement
- Exhibit K      Renewal Amendment to Franchise Agreement

**ITEM 23  
RECEIPTS**

Attached as the last page of the Disclosure Document (Exhibit L) is a document acknowledging receipt of the Disclosure Document by you (one copy for you and one copy to be signed and returned to us).

**EXHIBIT A  
(TO DISCLOSURE DOCUMENT)**

**LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS**

**LIST OF STATE AGENCIES**

**California**

Department of Financial Protection and Innovation  
320 West 4<sup>th</sup> Street, Suite 750  
Los Angeles, CA 90013-2344  
(213) 576-7505  
(866) 275-2677

2101 Arena Blvd.  
Sacramento, CA 95834  
(916) 445-7205  
(866) 275-2677

1455 Frazee Road, Suite 315  
San Diego, CA 92108  
(619) 610-2093  
(866) 275-2677

One Sansome Street, Suite 600  
San Francisco, CA 94104  
(415) 972-8559  
(866) 275-2677

**Florida**

Department of Agriculture and Consumer Services  
Division of Consumer Services  
Terry Lee Rhodes Building  
2005 Apalachee Parkway  
Tallahassee, FL 32399-6500  
(850) 488-2221

**Hawaii**

Department of Commerce and Consumer Affairs  
Business Registration Division  
Securities Compliance Branch  
335 Merchant Street, Room 203  
Honolulu, HI 96813  
(808) 586-2722

**Illinois**

Office of Attorney General  
Franchise Division  
500 South Second Street  
Springfield, IL 62706  
(217) 782-4465

**Indiana**

Indiana Secretary of State  
Securities Division  
302 West Washington Street  
Room E-111  
Indianapolis, IN 46204  
(317) 232-6681

**Maryland**

Office of Attorney General  
Maryland Division of Securities  
200 St. Paul Place  
Baltimore, MD 21202-2020  
(410) 576-6360

**Michigan**

State of Michigan  
Consumer Protection Division  
Attention: Franchise  
P.O. Box 30213  
Lansing, MI 48909  
(517) 373-7117

**Minnesota**

Minnesota Department of Commerce  
Securities Unit  
85 7<sup>th</sup> Place East, Suite 280  
St. Paul, MN 55101  
(651) 539-1600

**Nebraska**

Department of Banking and Finance  
1200 N Street, Suite 311  
P.O. Box 95006  
Lincoln, NE 68509  
(402) 471-3445

**New York**

New York State  
Department of Law  
Investor Protection Bureau  
Franchise Section  
28 Liberty Street, 21<sup>st</sup> Floor  
New York, NY 10005  
(212) 416-8222

**North Dakota**

North Dakota Securities Department  
600 East Boulevard Avenue  
State Capitol, 5<sup>th</sup> Floor, Dept. 414  
Bismarck, ND 58505-0510  
(701) 328-4712

**Oregon**

Department of Insurance and Finance  
Corporate Securities Section  
Labor and Industries Building  
Salem, OR 97310  
(503) 378-4387

**Rhode Island**

Department of Business Regulation  
Division of Securities  
1511 Pontiac Avenue  
John O. Pastore Complex – Building 69-1  
Cranston, RI 02920  
(401) 462-9527

**South Dakota**

South Dakota Department of Labor and Regulation  
Division of Insurance - Securities Regulation  
124 S. Euclid, Suite 104  
Pierre, SD 57501  
(605) 773-3563

**Texas**

Secretary of State  
Statutory Document Section  
P.O. Box 13563  
Austin, TX 78711  
(512) 475-1769

**Virginia**

State Corporation Commission  
Division of Securities and Retail Franchising  
1300 E. Main Street, 9<sup>th</sup> Floor  
Richmond, VA 23219  
(804) 371-9051

**Washington**

Securities Administrator  
Department of Financial Institutions  
Securities Division  
150 Israel Road S.W.  
Tumwater, WA 98501  
(360) 902-8760

**Wisconsin**

Department of Financial Institutions  
Division of Securities  
345 W. Washington Avenue, 4<sup>th</sup> Floor  
Madison, WI 53703  
(608) 261-9555

## LIST OF AGENTS FOR SERVICE OF PROCESS

### California

Commissioner of Financial Protection and Innovation  
California Department of Financial Protection and Innovation  
320 West 4<sup>th</sup> Street, Suite 750  
Los Angeles, CA 90013-2344  
(213) 576-7505  
(866) 275-2677  
[www.dfpi.ca.gov](http://www.dfpi.ca.gov)  
[ASK.DFPI@dfpi.ca.gov](mailto:ASK.DFPI@dfpi.ca.gov)

### Hawaii

Commissioner of Securities  
Department of Commerce and Consumer Affairs  
Business Registration Division  
Securities Compliance Branch  
335 Merchant Street, Room 203  
Honolulu, HI 96813  
(808) 586-2722

### Illinois

Illinois Attorney General  
500 South Second Street  
Springfield, IL 62706  
(217) 782-1090

### Indiana

Indiana Secretary of State  
201 State House  
200 West Washington Street  
Indianapolis, IN 46204  
(317) 232-6531

### Maryland

Maryland Securities Commissioner  
200 St. Paul Place  
Baltimore, MD 21202-2020  
(410) 576-6360

### Michigan

Michigan Department of Commerce  
Corporations and Securities Bureau  
6546 Mercantile Way  
Lansing, MI 48910  
(517) 334-6212

### Minnesota

Minnesota Commissioner of Commerce  
Department of Commerce  
85 7<sup>th</sup> Place East, Suite 280  
St. Paul, MN 55101  
(651) 539-1600

### New York

New York Department of State  
One Commerce Plaza  
99 Washington Avenue, 6<sup>th</sup> Floor  
Albany, NY 12231-0001  
(518) 473-2492

### North Dakota

North Dakota Securities Commissioner  
600 E. Boulevard Avenue  
State Capitol, 5<sup>th</sup> Floor  
Bismarck, ND 58505-0510  
(701) 328-2910

### Oregon

Director of Oregon Department of Insurance and Finance  
700 Summer Street, N.E.  
Suite 120  
Salem, OR 97310  
(503) 378-4387

### Rhode Island

Director of Rhode Island  
Department of Business Regulation  
1511 Pontiac Avenue  
John O. Pastore Complex – Building 69-1  
Cranston, RI 02920  
(401) 462-9527

### South Dakota

Director of South Dakota Division of Insurance  
124 S. Euclid, Suite 104  
Pierre, SD 57501  
(605) 773-3563

### Virginia

Clerk of the State Corporation Commission  
1300 East Main Street, 1<sup>st</sup> Floor  
Richmond, VA 23219  
(804) 371-9733

### Washington

Securities Administrator  
Washington State Department of Financial Institutions  
150 Israel Road S.W.  
Tumwater, WA 98501  
(360) 902-8760

### Wisconsin

Wisconsin Commissioner of Securities  
345 W. Washington Ave., 4<sup>th</sup> Floor  
Box 1768  
Madison, WI 53703  
(608) 261-9555

**EXHIBIT B**  
**(TO DISCLOSURE DOCUMENT)**

**EAGLERIDER®**  
**FRANCHISE AGREEMENT**



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## **ATTACHMENTS**

- 1 State-Specific Addenda to Franchise Agreement
- 2 Approved Location and Rental Vehicle Classes
- 3 H-D Motorcycle Addendum
- 4 Authorization Agreement for Pre-arranged Payment
- 5 Assignment of Telephone Numbers, Email Addresses and URLs and Special Power of Attorney
- 6 Statement of Ownership
- 7 Personal Guaranty and Subordination Agreement

**EAGLERIDER®**  
**FRANCHISE AGREEMENT**

**1. PARTIES**

This franchise agreement (the “**Agreement**”) is entered into on the \_\_\_ day of \_\_\_\_\_, 20\_\_ between EagleRider, Inc., a California corporation with its principal place of business located at 11860 South La Cienega Boulevard, Hawthorne, California 90250 (“**EagleRider,**” “**we**” or “**us**”), and \_\_\_\_\_, a(n) \_\_\_\_\_ (“**you**”).

**2. RECITALS**

**2.1 Ownership of System**

We have acquired the right to license to our franchisees certain intellectual property rights, including the Trade Name and Mark “EAGLERIDER®.” We have spent time, effort, and money to develop business methods, technical knowledge, marketing concepts, trade secrets, commercial ideas, administrative procedures, supply chains, marketing strategies, business forms, advertising materials, distinctive signs, trade dress, uniforms, and training techniques that, taken together, make up a proprietary System for the operation of retail outlets that specialize in the rental of high-end motorcycles and power sports vehicles and the sale of related merchandise.

**2.2 Objectives of Parties**

We would like to grant to you and you would like to accept from us a franchise to own and operate an EAGLERIDER® Vehicle Rental Outlet, using the EAGLERIDER® Trade Name, Marks, and System, as they may be changed, improved and further developed from time to time, upon the terms and conditions below.

**3. DEFINITIONS**

For purposes of this Agreement, when any of the following words and phrases begins with a capital letter, its meaning is defined in this Article 3:

**3.1 Approved Location**

“**Approved Location**” means the location that we have approved in writing as the site at which you may own and operate your EAGLERIDER® Vehicle Rental Outlet.

**3.2 Central Reservations Program**

“**Central Reservations Program**” means a program under which we offer Rental Rates, Terms and Conditions to travel industry partners, strategic business allies, mass travel outlets, internet mass travel booking sites and Club EAGLERIDER® to generate additional rental revenue for Outlets. The Central Reservations Program is utilized through the EAGLERIDER® Rental Management System and also provides online recordkeeping, as well as other services through a central call center (such as multi-lingual reservations agents).

### **3.3 Club EAGLERIDER®**

“**Club EAGLERIDER®**” means our rental membership program that provides customers the ability to pay a monthly fee in exchange for free rental day credits (Club EAGLERIDER® member must pay taxes, insurance, surcharges and other fees in connection with the free rental) and other exclusive benefits and discounts.

### **3.4 Confidential Information**

“**Confidential Information**” means our distinctive business format, plans, methods, software, data, processes, marketing systems, manuals, product formulas, designs, layouts, operating procedures, and information and know-how, which are developed and utilized in connection with the EAGLERIDER® System. “Confidential Information” also includes, without limitation, vehicle rental and sales techniques and methods, client lists, vendor lists, any and all information contained in the Operations Manual, and any information of whatever nature which gives us and our Related Parties an opportunity to obtain an advantage over our competitors who do not have access to, know or use such techniques, methods, lists, written materials and other information.

### **3.5 Designated Manager**

“**Designated Manager**” means the person whom you have appointed to manage your EAGLERIDER® Vehicle Rental Outlet if you choose not to personally manage your Outlet.

### **3.6 EAGLERIDER® Product**

“**EAGLERIDER® Product**” means any product that bears or has been labeled with any of the EAGLERIDER® Marks and any other approved merchandise that you sell from your Outlet.

### **3.7 EAGLERIDER® Rental Management System**

“**EAGLERIDER® Rental Management System**” means the basic license to use our proprietary computerized reservations and booking software, which is compatible for a rental fleet of up to 100 vehicles.

### **3.8 Electronic Advertising**

“**Electronic Advertising**” means any website, blog, instant messaging service, social media site or networking account or other electronic or other communication method now in existence or to be created including, without limitation, the microsite developed for your Outlet, or any multimedia, telecommunication, mass electronic mail, pay-per-click or audio/visual advertising, promotional or marketing materials.

### **3.9 Good Standing**

“**Good Standing**” means “timely compliance with all provisions of this Agreement and the required portions of the Operations Manual, specifically including provisions for timely payment of amounts you owe to us or our Related Parties.”

### **3.10 Gross Rental Revenue**

“**Gross Rental Revenue**” means the total amount of revenue from rentals from your Outlet and from any rentals made away from the Outlet, including but not limited to, daily rent, extra mileage charges, accessory and clothing rental, insurance sales, Vacation Interruption Protection (VIP) and Theft Damage & Collision Waiver (TDW) charges, surcharges and one-way fees, Club EAGLERIDER® membership fees, excluding sales taxes and discounts that have been approved by us in advance.

### **3.11 Gross Retail Revenue**

“**Gross Retail Revenue**” means the total amount of revenue for all sales of products, apparel, merchandise and any other accessories or items from your Outlet, including any sales made away from your Outlet premises, excluding sales taxes and discounts that have been approved by us in advance.

### **3.12 Gross Revenue**

“**Gross Revenue**” means Gross Rental Revenue plus Gross Retail Revenue.

### **3.13 H-D**

“**H-D**” means Harley-Davidson Motor Company, Inc., a Wisconsin corporation.

### **3.14 H-D Motorcycles**

“**H-D Motorcycles**” means current model year Harley-Davidson® touring and cruiser motorcycles.

### **3.15 Indemnified Parties**

“**Indemnified Parties**” means us and our Related Parties, and our and their respective shareholders, equity owners, partners, directors, officers, members, managers, employees, agents, representatives, successors and assigns.

### **3.16 Index**

“**Index**” means the Consumer Price Index: All Items/U.S. City Average – All Urban Consumers (1982 – 1984 = 100), published by the Bureau of Labor Statistics, U.S. Department of Labor, or a comparable index we select should the above-referenced index cease to be published.

### **3.17 Marks**

“**Marks**” means selected trademarks, service marks, trade dress, logotypes, slogans and other commercial symbols that we license from our Related Party and sublicense to you under this Agreement, as such Marks may be changed, improved and further developed from time to time.

### **3.18 National Accounts**

“**National Accounts**” means a business or organization that: (1) conducts operations, directly or through agents, affiliates, independent contractors, franchisees or licensees, in multiple geographic areas in the United States in which we or our franchisees are operating EAGLERIDER® Outlets; and (2) has a written contract or strategic alliance with us for the purpose of providing referrals of customers within such geographic areas.

### **3.19 Operations Manual**

“**Operations Manual**” means the manuals, technical bulletins, or other written or electronic materials that we will lend to you during the term of this Agreement and that contains information, forms, requirements and recommendations for the establishment and operation of a Vehicle Rental Outlet and for use of our Trade Name and Marks.

### **3.20 Outlet or Vehicle Rental Outlet**

“**Outlet**” or “**Vehicle Rental Outlet**” means “an EAGLERIDER® vehicle rental outlet that we have authorized you to operate under the Trade Name, Marks, and System at the Approved Location under this Agreement.” An Outlet specializes in the rental of certain classes of motorcycles designated by manufacturer and vehicle type, the rental of other vehicles designated by manufacturer and vehicle type, the organization of motorcycle tours and road trips and the sale of related apparel and merchandise. An “Outlet” or “Vehicle Rental Outlet” cannot be part of, or located within, any new or used motorcycle sales dealership.

### **3.21 Related Party**

“**Related Party**” or “**Related Parties**” means people or companies affiliated with us or you, as the context suggests, including companies under common control, shareholders, partners, members, officers and directors.

### **3.22 Rental Rates, Terms and Conditions**

“**Rental Rates, Terms and Conditions**” means a schedule of wholesale discount rates and retail rates together with the terms and conditions upon which we offer them through the EAGLERIDER® Rental Management System.

### **3.23 Rental Vehicle Class**

“**Rental Vehicle Class**” means a category of rental vehicles, defined by manufacturer and vehicle type, that we authorize you to offer for rent by designating it on Attachment 2 to this Agreement.

### **3.24 Start Date**

“**Start Date**” means the earlier of the agreed-upon deadline for opening your Outlet, as stated in Attachment 2, or the date your Outlet opens.

### **3.25 System**

“**System**” means the business methods, technical knowledge, marketing concepts and other trade secrets licensed by us to you under this Agreement, including our purchasing arrangements, commercial ideas, advertising materials, marketing strategies, supply chains, administrative procedures, business forms, distinctive signs, trade dress, architectural design and uniforms, and training techniques, as such System may be changed, improved and further developed from time to time.



### **3.26 Termination**

“**Termination**” means expiration of this Agreement, non-renewal of this Agreement, or termination, under the circumstances described in Article 10 of this Agreement, of the then-current term of this Agreement before its normal expiration date.

### **3.27 Trade Name**

“**Trade Name**” means the commercial name “EAGLERIDER®.”

### **3.28 Transfer**

Subject to Section 9.5 of this Agreement, “**Transfer**” means any voluntary, involuntary, direct or indirect sale, gift, merger, consolidation, exchange, assignment, conveyance, disposition or other change by you (or any of your owners) of any interest in (a) this Agreement or (b) your ownership, if you are an entity or consist of more than one individual; (c) your Outlet, or (d) any assets of your Outlet.

### **3.29 You**

“**You**” means the person or entity that is named as “you” in Article 1 of this Agreement. “You” means, in addition, all people or entities that succeed to your interest by Transfer or operation of law.

## **4. GRANT OF FRANCHISE**

### **4.1 Rights Granted**

We grant to you and you accept from us a franchise to operate an EAGLERIDER® Vehicle Rental Outlet under the Trade Name, Marks and System according to the terms of this Agreement. If you are approved to offer H-D Motorcycles for rent at your EAGLERIDER® Vehicle Rental Outlet, you must also sign the H-D Motorcycle Addendum to EAGLERIDER® Franchise Agreement (included in Attachment 3 to this Agreement) which modifies certain terms of this Agreement.

### **4.2 Scope of Franchise Operations**

You shall at all times comply with your obligations hereunder and shall continuously use best efforts to promote and operate the EAGLERIDER® Outlet. You shall not engage in any business other than the operation of the Outlet, except as permitted by us in writing. You shall utilize the Marks and System to operate all aspects of the business franchised hereunder in accordance with the methods and systems developed and prescribed from time to time by us, all of which are a part of the System. Your EAGLERIDER® Outlet shall offer all services and products as we shall designate. You shall be restricted from offering or selling any services or products not previously approved by us in writing and shall further be restricted from offering the authorized services or distributing the authorized products for non-retail or off-site sale except as permitted by us in writing.

### **4.3 Rights Reserved**

You acknowledge that your franchise rights as granted are non-exclusive and that our Related Parties retain the right, in our sole discretion and without granting any rights or providing any compensation to you, to do any or all of the following:

- a) solicit customers, advertise and promote sales anywhere;

- b) operate or allow other franchisees to operate at any location and also offer your Rental Vehicle Classes to fulfill bookings made through the Central Reservations Program;
- c) provide or allow other franchisees to provide motorcycles, H-D Motorcycles or your other Rental Vehicle Classes at any location to fulfill bookings that you are unable or unwilling to fulfill;
- d) operate an Outlet at a trailer, kiosk, mobile rental unit, trade show booth, or similar temporary location;
- e) sell or rent EAGLERIDER® Products and services through any means of distribution not specifically prohibited by another provision of this Agreement, including wholesale distribution to other retail outlets, by catalog transactions or by Internet transactions;
- f) use and license the use of different proprietary marks in connection with the sale of products and services similar to, the same as or dissimilar from, those which you sell, through the operation of businesses which are the same as, similar to, or different from the Outlets (for example, if we acquire or are acquired by another business that provides products and services similar to or the same as those provided by an Outlet), at any location, and on any terms and conditions as we determine;
- g) use and to license others to use the Marks and System in connection with the operation of an Outlet, at any location; and
- h) engage in any other activity, action or undertaking that we are not expressly prohibited from taking under this Agreement.

#### **4.4 Location**

##### **4.4.1 Approved Location**

Your Outlet must be located at the Approved Location specified in Attachment 2 to this Agreement. We do not help you find an Approved Location. It is your responsibility to identify a site for your Outlet that complies with our standards and specifications and obtain our written approval before entering into your lease for the Approved Location. You shall not conduct business using our Trade Name, Marks or System at any other location or through any alternative channels of distribution without our prior written approval or operate another business, offer services or products which are part of the System at any site other than the Approved Location, fill wholesale orders, sell products or services by mail order or through catalogs or the Internet, transship or reship products, or offer any other type of off-site service or sale of products.

##### **4.4.2 Relocation**

You may relocate your Outlet only with our prior written consent, which will be granted in our sole discretion and only if the following conditions are fulfilled:

- a) You are in Good Standing under this Agreement, any other agreement between us or our Related Party and you, and the Operations Manual;
- b) You and any Related Parties that have signed the original franchise agreement have signed (1) a cancellation of the original franchise agreement and (2) a new franchise agreement in the form that is currently effective at the time of relocation;

- c) Subject to applicable laws and regulations, pre-existing contractual obligations and your landlord's consent, you agree to equip and furnish your new Outlet so that the premises meet the standards of appearance and function applicable to new EAGLERIDER® Outlets at the time of relocation;
- d) You and your Related Parties that are parties to this Agreement have signed a special release of claims, in the form provided by us, with respect to past dealings with us and our Related Parties;
- e) You have paid us a relocation fee specified in Section 6.7 of this Agreement; and
- f) We have given our prior written approval of the new site.

#### **4.5 National Accounts**

We reserve the right to enter into contracts and strategic alliances with National Accounts for the provision of services to customers referred or assigned to the EAGLERIDER® network by the National Account. We do not guarantee that we will develop or maintain contracts or strategic alliances with a particular number of National Accounts, if any, or that if we do, that you will receive any National Account referrals or assignments.

We will contact you and provide you with a right of first refusal to service customers referred to us by the National Account near your Approved Location (in accordance with our National Account Guidelines), unless you are not eligible to provide the services. To be eligible, you must be able to provide services to the customers based on rules (which include availability of Rental Vehicle Classes) or other terms and conditions agreed to between us and the National Account. If you cannot or do not elect to service National Accounts based on the National Account agreement or program, or violate the agreement with or standards set by the National Account, then you will not provide services to such National Account and will not be entitled to receive any portion of the resulting compensation.

#### **4.6 Term and Renewal**

##### **4.6.1 Initial Term**

The initial term of the franchise will begin on the Start Date and will continue until the earlier of (a) the date that is ten (10) years after the Start Date; or (b) the expiration or termination of your right to possess the premises of the EAGLERIDER® Outlet.

##### **4.6.2 Renewal**

You will have the option to renew the franchise for an additional ten (10) year term, on the same terms and conditions as those on which we are customarily granting new franchises at the time of renewal, if we do not exercise our right not to offer a successor franchise in accordance with Section 4.6.3 below and the following conditions are fulfilled:

- a) You are in Good Standing under this Agreement, any other agreement between us or our Related Party and you, and the Operations Manual;
- b) You have notified us in writing at least one hundred twenty (120) days before the expiration date of this Agreement of your wish to renew;

c) You and any of your Related Parties that have signed this Agreement have signed a new franchise agreement not less than thirty (30) days before the expiration of this Agreement or thirty (30) days after you receive a signature-ready copy of the new franchise agreement from us, whichever is later;

d) Subject to applicable laws and regulations, pre-existing contractual obligations and your landlord's consent, you have, before the beginning of the renewal term, at your own expense, updated the fixtures, equipment, and signs used in your Outlet so that they meet the standards applicable to new Outlets at the time of renewal;

e) You and any of your Related Parties have signed a special release of claims, other than non-waivable statutory claims, with respect to past dealings with us in the form provided by us; and

f) You have paid the renewal fee specified in Section 6.9 of this Agreement.

The provisions of the standard franchise agreement in use by us at the time of renewal may be materially different than those contained in this Agreement, including, but not limited to, provisions for increased royalties and advertising fees. Your right to renew will be contingent upon your acceptance of the new provisions and our right under Section 4.6.3 below.

#### 4.6.3 Conditions of Refusal

We shall not be obligated to offer you a successor franchise upon the expiration of this Agreement if you fail to comply with any of the above conditions of renewal. In such event (except for failure to execute the then current Franchise Agreement or pay the successor franchise fee), we shall give notice of expiration at least 90 days prior to the expiration of the term, and such notice shall set forth the reasons for such refusal to offer successor franchise rights. Upon the expiration of this Agreement, you shall comply with the provisions of Section 10.3 below.

### **5. SERVICES TO FRANCHISEE**

We agree to perform the following services for you at locations selected by us provided that you are, at the time when service is to be rendered, in Good Standing under this Agreement, any other agreement with us or our Related Party, and the Operations Manual.

#### **5.1 Lay-out and Decoration**

We will give you guidance and facility specifications in the Operations Manual to assist you in designing, furnishing and equipping your Outlet. You will, at your own expense, tailor the plans and specifications provided by us for your individual use and will then submit the customized plans and specifications to us for written approval, which will not be unreasonably withheld. You are responsible for the cost of any architectural designs and drawings and interior design services that you obtain.

#### **5.2 Training**

Before the opening of your Outlet, we will conduct, at no additional charge, an initial training program in the operation of your Outlet under the EAGLERIDER® System for up to four (4) individuals including you, your Designated Manager, and members of your management team. We will determine, in our sole discretion, based on our evaluation of your prior experience, whether the program should be administered online, at your location, or at our headquarters. Additional people may attend the initial training program for a fee of up to one thousand dollars (\$1,000) each. You or your Designated Manager

must attend and successfully complete the training program to our satisfaction before you may open your Outlet. If the employment of a Designated Manager is terminated, you must employ a new Designated Manager within thirty (30) days who must successfully complete the initial training program before starting work.

From time to time we may require you to attend additional training that we develop regarding the System or any special or new services that we develop and make available to franchisees. We will determine, in our sole discretion, whether the additional training should be administered online, at our headquarters or at another location.

### **5.3 Operations Manual**

We will loan you one copy of our Operations Manual, in hardcopy or electronic form, covering certain required and recommended standards, specifications and operating and marketing procedures that you will utilize in operating your Outlet. The Operations Manual is designed to protect the System and the Marks and is not intended to control the day-to-day operations of the your EAGLERIDER Outlet.

### **5.4 Designated and Approved Suppliers**

We will give you, in the Operations Manual or otherwise in writing, a list of names and addresses of suppliers of goods and services that currently meet our standards and specifications. In advising you of suppliers that meet our standards and specifications, we expressly disclaim any warranties or representations as to the condition of the goods or services sold by the suppliers, including, without limitation, expressed or implied warranties as to merchantability or fitness for any intended purpose. You agree not to look to us or our Related Parties for any remedy for any defect in goods or services provided by unrelated, designated or approved suppliers.

### **5.5 Advertising and Marketing**

We will provide advertising and marketing assistance to you, including a microsite that is linked to our website. We also provide access to our online reservations system, search engine optimization, pay per click marketing, email broadcasts and press releases to industry participants and consumers. We will also provide a limited amount of advertising materials and services to you for use in your local advertising efforts. These may include video and audiotapes, copy-ready print advertising materials, posters, banners and miscellaneous point-of-sale items. If we provide you with advertising materials, you will receive one sample of each at no charge and will be responsible for the costs of publishing such materials for your own use.

### **5.6 EAGLERIDER® Rental Management System License**

We will provide to you a license to use our web-based EAGLERIDER® Rental Management System, specifically designed for online motorcycle and power sport rental reservations and bookings. Monthly charges for the EAGLERIDER® Rental Management System are described in Article 6. We will direct any bookings for your Rental Vehicle Classes if the prospective customer is near your Approved Location and to the extent that we determine, in our sole discretion, that you are able to fulfill them.

### **5.7 Central Reservations Program**

We will conduct a Central Reservations Program under which we offer Rental Rates, Terms and Conditions to travel industry partners, strategic business allies, mass travel outlets, internet mass travel

booking sites and the Club EAGLERIDER® Program to generate additional rental revenue for participating Outlets. Unless you choose not to participate in the Central Reservations Program or are unable to fulfill bookings made under the Program, we will direct to you all bookings made through the Program for your Rental Vehicle Classes, if any, if the prospective customer is located near your Approved Location.

## **5.8 Consultation**

We will use commercially reasonable efforts to make our personnel available to you at your request for consultation by telephone or email throughout the term of this Agreement for no additional charge. If you ask for on-site assistance or training, we may charge a fee commensurate with our then current published prices, currently a three hundred dollar (\$300) per diem per employee, plus the cost of business class travel, lodging, and other incidental expenses each employee incurs in providing this service.

## **5.9 EAGLERIDER® Products Availability**

We will use commercially reasonable efforts to ensure that EagleRider or a designated or approved supplier will at all times have a supply of EAGLERIDER® Products available for sale to you. Nothing in this Agreement shall be construed by you to be a promise or guarantee as to the continued availability of a particular product sold by us or our affiliated companies, nor shall any provision herein imply or establish an obligation on the part of us and our affiliates to sell products to you if you are in arrears on any payment to us and our affiliates or otherwise in default under this Agreement.

## **5.10 No Product Warranties**

The products purchased by you from us or our affiliated companies shall be subject only to manufacturers' warranties. WE AND OUR AFFILIATED COMPANIES MAKE NO WARRANTIES, EXPRESS OR IMPLIED, REGARDING MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF ANY OF THE PRODUCTS PURCHASED BY YOU.

## **5.11 Changes in Product**

It is understood that we and our affiliates shall have the right, at any time and without notice, to add items to, or withdraw items from, the list of products; to add to or delete from the list of approved suppliers of products; to revise any product; and to change the prices, discounts, or terms of sale of any product, provided, however, no such changes in prices, discounts or terms shall affect accepted orders pending with us and our affiliates at the time of change.

## **5.12 Club EAGLERIDER®; Gift Card Program**

You are required to participate, at your expense, in Club EAGLERIDER® and our program for the sale of gift cards to customers through Outlets and third-party retailers. You must follow the guidelines set forth in the Operations Manual with respect to your obligations and responsibilities as part of Club EAGLERIDER® and under the gift card program, including the methods of operation for these programs, the transaction information you are required to provide to us and the retention of complete and accurate books and records regarding transactions made pursuant to these programs. We reserve the right to charge you transaction fees to activate, reload, redeem and otherwise administer the gift card program. We also reserve the right to audit your books, records and processes relating to both the Club EAGLERIDER® and gift card programs.

### **5.13 Annual Conferences**

We currently hold annual conferences to discuss sales techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, advertising programs and merchandising procedure. We reserve the right, in our sole discretion, to modify the frequency of the conferences referred to in this Section.

### **5.14 Industry Information**

We will provide you with on-going updates of information and programs regarding rental vehicles, marketing and promotional programs, the competition, the industry, related System, including information about special or new services that we develop and make available to franchisees.

## **6. PAYMENTS BY FRANCHISEE**

### **6.1 Initial Franchise Fee**

When you sign this Agreement, you must pay us an initial franchise fee of thirty thousand dollars (\$30,000). You acknowledge and agree (a) that the initial franchise fee represents payment for the initial grant of the rights to use the Trade Name, Marks and System for the rental through your Outlet of the one (1) Rental Vehicle Class described on Attachment 2, as well as the cost of initial training for up to four (4) people, (b) that we have earned the initial franchise fee upon receipt thereof, and (c) that the initial franchise fee is under no circumstances refundable after it is paid, unless otherwise specifically set forth in this Agreement.

### **6.2 Additional Rental Vehicle Classes**

You may only rent an additional Rental Vehicle Class from your Outlet with our prior written approval, which we may withhold in our sole discretion. The fee for each additional Rental Vehicle Class is two thousand dollars (\$2,000), payable at the time you sign this Agreement or whenever you add the additional classes.

### **6.3 EAGLERIDER® Rental Management System**

When you sign this Agreement, you must pay us a one-time fee of two thousand dollars (\$2,000) to set up the EAGLERIDER® Rental Management System for your motorcycle and power sport rental reservations and bookings.

### **6.4 Royalties**

On the tenth (10th) day of each month during the term of this Agreement, you will pay us a monthly royalty of ten percent (10%) of the Gross Rental Revenue, plus five percent (5%) of Gross Retail Revenue from EAGLERIDER® Products, received by your Outlet within the immediately preceding month, or a monthly minimum royalty, whichever is greater. The monthly minimum royalty is three hundred fifty dollars (\$350) per Outlet. We may increase or decrease the minimum royalty each year in an amount corresponding to the increase or decrease in the Index for the immediately preceding year, but under no circumstances will we be obligated to decrease the minimum royalty to an amount that is less than it was on the Start Date. You must submit with each royalty payment a statement of Gross Revenue on a form provided by us.

## **6.5 EAGLERIDER® Rental Management System Fee**

You must pay us or our designated Related Party a monthly support fee of two hundred seventy-five dollars (\$275) for the EAGLERIDER® Rental Management System.

## **6.6 Training Fees**

We will not charge a fee for the initial training program for up to four (4) people. However, if we must train replacement personnel, we may charge a training fee of one thousand dollars (\$1,000) per person.

## **6.7 Relocation Fee**

If we approve the relocation of your Outlet, you must pay us, before relocation, a fee of four thousand dollars (\$4,000).

## **6.8 Transfer Fee**

If we approve a Transfer of your franchise, you must pay us, before such Transfer, a fee of five thousand dollars (\$5,000).

## **6.9 Renewal Fee**

As a condition of renewal of your franchise, you must pay us, upon signing the new franchise agreement for the renewal term, a fee equal to fifty percent (50%) of the then-current initial franchise fee.

## **6.10 Audit**

We have the right to audit the books and records, including your tax returns and financial and other business data, relating to your Outlet during normal working hours with no advance notice. The auditor may be our employee or an independent contractor and does not have to be an accountant. If an audit discloses an underpayment of royalties or other fees payable under this Agreement, you must immediately pay this amount to us, together with accrued interest on the amount underpaid as provided in this Article. If you are unable to produce the records you are required to maintain to explain any discrepancy disclosed by the audit, the discrepancy will be presumed to result from an underpayment.

If we performed the audit because you did not provide required financial statements at the times and in the format specified in this Agreement or the Operations Manual, or if the underpayment exceeds two percent (2%) of the total royalty payable for any period covered by the audit, you must also reimburse us for our expenses for the audit.

If you provide written notice disputing our finding of an underpayment within ten (10) days of receiving our notification of underpayment, we will obtain a certified public accountant to audit your books and records for the period under examination. If the certified public accountant's report shows an underpayment that equals or exceeds any underpayment we found, you must reimburse us for our expenses in obtaining both audits, the amount of the underpayment and interest on past due amounts.

## **6.11 Payment**

When you sign this Agreement, you will sign an Authorization Agreement for Pre-arranged Payment, in the form of Attachment 4 to this Agreement, to enable us, at our option, to collect any payments that you owe us or our Related Parties, including, but not limited to, royalties and technical support fees,



directly from your bank account by electronic funds transfer, pre-arranged draft, or any other method we specify. If we are unable to take payment by electronic funds transfer or pre-arranged draft because you have not submitted a statement of Gross Revenue or for any other reason for which you are responsible, our inability to take payment will be considered your failure to make payment.

#### **6.12 Interest on Late Payments**

Any payment not received by us when due will bear interest at one and half percent (1.5%) per month or at the highest rate allowed by applicable law, whichever is less. Interest charges on late payments are intended to partially compensate us for loss of use of the funds and for internal administrative costs resulting from late payment which would otherwise be difficult to measure precisely. The fact that such charges are imposed should not be construed as a waiver of our right to timely payment.

#### **6.13 When Payments Begin**

Your obligation to pay ongoing monthly royalties begins on the Start Date. If the Start Date is on any day other than the first day of a month, the minimum royalties and other monthly fees will be prorated based on the number of days from the Start Date to the last day of the first month of the term of this Agreement.

#### **6.14 Application of Payments**

We may offset any past due amounts you owe us or our Related Parties against advance booking fees collected for bookings for your Outlet or any other money we or our Related Parties collect for you or owe to you. We are not required to accept payments after they are due or to extend credit or otherwise finance your operations. Failure to pay all amounts when due may result in suspension of access to our services and support until the failure is cured and, if not cured within any applicable cure period, constitutes good cause for termination of this Agreement.

### **7. OBLIGATIONS OF FRANCHISEE**

#### **7.1 Use of Trade Name, Marks and System**

##### **7.1.1 Context**

You may use our Trade Name, Marks and System only in the operation of your Outlet at the Approved Location. You may not, directly or indirectly, register or own any URL or domain name that incorporates all or part of the EAGLERIDER® Trade Name or the Marks. You may not use any other trade name or marks in connection with the operation of your EAGLERIDER® Outlet without our express written consent and approval. You must sign an Assignment of Telephone Numbers, Email Addresses and URLs, in the form of Attachment 5 to this Agreement, when you sign this Agreement.

##### **7.1.2 Changes in Trade Name, Marks and System**

We may in our sole discretion, discontinue, change, modify or alter the Trade Name, Marks and the System by among other things, adopting or developing new trademarks, trade names, service marks, copyrighted materials, new services or products, new furnishings, equipment, new signage or new operational techniques (“**Alterations**”). If we make any Alterations to the Marks or System, you shall, within a reasonable time after receipt of written notice of such Alteration from us, take such action at your sole expense, as may be necessary to comply with such required Alteration. We may, in our sole discretion

but with reasonable notice to you, enter into the Approved Location to make any Alterations required for the protection of the Marks and System, including but not limited to the signs, furniture, fixtures, trade dress or décor of the Outlet, if you refuse to make any Alterations required by the Operations Manual or under the terms of the Agreement. If we elect to make such Alteration on your behalf, we reserve the right to charge you for all expenses incurred by us in connection with such Alteration including your travel, lodging, living expenses, telephone charges and other identifiable expenses (such as construction and materials), plus a fee based on the time spent by each of our employees or agents on your behalf. You shall not unilaterally change, alter or modify the Marks or System in any way without our prior written consent which may be withheld in our sole discretion. Your approved changes or improvements to the System or the Marks shall inure to our exclusive benefit.

#### 7.1.3 Advertising Materials

You agree to submit to us copies of all advertising materials (including any webpage designs) that you propose to use to promote the Outlet or that use our Trade Name or Marks at least two weeks before the first time they are broadcast, published or otherwise used. We will review the materials within a reasonable time and will notify you in writing as to whether we approve or reject them. We will not withhold our approval unreasonably. For purposes of this paragraph, advertising materials that differ from previously approved materials only in such variables as date or price will be considered to be previously approved. Even if we approve specified materials, we may later withdraw our approval if we reasonably believe this is necessary to make the advertising conform to changes to our Trade Name, Marks or System or to correct unacceptable features of the advertising, including any misrepresentation in the advertising material. You agree to comply with all of our advertising standards and specifications. You shall display all required promotional materials, signs, point of purchase displays and other marketing materials in your Outlet and in the manner we prescribe.

#### 7.1.4 Legal Protection

You agree to notify us immediately in writing if you become aware of any unauthorized use of our Trade Name, Marks or System. You will promptly notify us in writing of any claim, demand or suit against you or against your principals in connection with your use of the Trade Name, Marks or System. In any action or proceeding arising from or in connection with any such claim, demand or suit, you agree that we may select legal counsel and have the right to control the proceedings. In certain cases, as described in Section 8.7 of this Agreement, we will indemnify and hold you harmless.

#### 7.1.5 Creative Ownership

All copyrightable works created by you or any of your owners, officers, or employees in connection with the Outlet shall be our sole property. You assign all proprietary rights, including copyrights, in these works to us without additional consideration. You hereby assign and will execute such additional assignments or documentation to effectuate the assignment of all intellectual property, inventions, copyrights and trade secrets developed in part or in whole in relation to the Outlet during the term of this Agreement, as we may deem necessary in order to enable us, at our expense, to apply for, prosecute and obtain copyrights, patents or other proprietary rights in the United States and in foreign countries or in order to transfer to us all inventions, discoveries, improvements, creations, patents, copyrights, trademarks and confidential information relating to the Outlet and the System which you or any of your owners, officers or employees have made or may make solely, jointly or commonly with others and shall promptly create a written record of the same. In addition to the foregoing, you acknowledge and agree that any improvements or modifications directly or indirectly related to the Outlet, whether or not copyrightable, shall be deemed to be a part of the System and shall inure to our benefit.

## **7.2 Minimum Performance Obligation**

### **7.2.1 Your Responsibility**

If you rent only one Rental Vehicle Class from your Outlet, you must maintain a minimum of eight (8) insured vehicles per Rental Vehicle Class. If you rent more than one Rental Vehicle Class from your Outlet, you must maintain a minimum of six (6) insured vehicles per Rental Vehicle Class. Your average annual rental utilization per Rental Vehicle Class must be at least twenty percent (20%). Your annual rental utilization per class is determined using the following calculation: [(number of business days your Outlet was open during a specified period of time) x (the number of vehicles in the Rental Vehicle Class during that period)] divided by the number of contracts or days during that period that each vehicle in the Rental Vehicle Class was rented.

### **7.2.2 Consequences of Failure to Meet Obligation**

If you do not meet the minimum performance obligations described in the preceding paragraph with respect to any Rental Vehicle Class for a given year, we will give you written notice and a ninety (90) day opportunity to cure. If you do not meet the Minimum Performance Obligation, calculated on an annualized basis, during the ninety (90) day cure period, we may, at our option, terminate your rights in that Rental Vehicle Class or this Agreement immediately upon written notice to you.

## **7.3 Quality Control, Operation and System Standards**

### **7.3.1 Initial Training Program**

Unless we notify you otherwise in writing, you or your Designated Manager must faithfully complete all phases of the initial training program to our satisfaction, as certified by us in writing. Failure to successfully complete any aspect of the training program, as determined by us in our sole discretion, constitutes grounds for immediate termination of this Agreement, but we have the right to offer you one or more remedial courses of action, such as supplemental training, if we believe the alternative may make termination of this Agreement unnecessary. If you do not accept the alternative course of action within the time allowed by us or if you accept, but do not complete, any supplemental training program to our satisfaction, we may declare this Agreement terminated, effective immediately upon written notice. The purpose of the initial training program is to provide instruction on our System, trademark protection and brand consistency across EAGLERIDER® locations.

### **7.3.2 Opening**

You may not open your Outlet to the public until we certify in writing that you are prepared to do so. Opening without our written certification is a material breach of this Agreement and constitutes infringement of our intellectual property rights, justifying injunctive relief and termination of this Agreement. By certifying that we believe the Outlet is prepared to open, we do not guarantee that your Outlet will be successful.

### **7.3.3 Compliance with Operations Manual**

You shall comply with the Operations Manual as an essential aspect of your obligations under this Agreement. The Operations Manual contains mandatory and suggested specifications, standards, operating procedures and rules that we prescribe from time to time for the operation of your Outlet and information relating to your other obligations under this Agreement and related agreements. The Operations Manual

shall be deemed to be incorporated herein by reference. If you fail to substantially comply with the Operations Manual, we may consider such failure to be a breach of this Agreement.

You agree to use the Trade Name, Marks and System only as specified herein and in the Operations Manual. The Operations Manual is our property and shall be used by you only during the term of this Agreement and in strict accordance with the terms and conditions hereof. You shall not duplicate the Operations Manual nor disclose its contents to persons other than your officers, Designated Manager and other management-level employees who have signed a nondisclosure and noncompetition agreement in a form approved by us. You shall return the Operations Manual, with any written updates, to us upon the expiration, termination or assignment of this Agreement.

We reserve the right to modify, update and revise the Operations Manual from time to time as we deem necessary to update or change operating and marketing techniques or standards and specifications. Upon your receipt of any updated information, you shall update your copy of the Operations Manual as we instruct and shall conform your operations with the updated provisions within 30 days thereafter, at your sole cost and expense. You hereby acknowledge that a master copy of the Operations Manual maintained by us at our headquarters shall be controlling in the event of a dispute relative to the content of any Operations Manual.

You acknowledge that compliance with the Operations Manual is vitally important to us and other EAGLERIDER® System franchisees and is necessary to protect the reputation and goodwill of the Marks and to maintain a uniform quality of operation throughout the EAGLERIDER® System. However, while the Operations Manual is designed to protect the reputation and goodwill of the Marks, it is not designed to control the day-to-day operation of the Outlet.

#### 7.3.4 Products and Services Offered

Subject to any pre-existing contractual constraints imposed by your landlord or by a rental vehicle manufacturer or our designated insurance provider, you must offer, rent and sell all of the products and services that we authorize you to provide, as such products and services may be changed by us from time to time. If you propose to offer, conduct or utilize any products, services, materials, forms, items, supplies or services for use in connection with or sale through the Outlet which are not previously approved by us as meeting our specifications, you shall first notify us in writing requesting approval. We may, in our sole discretion, for any reason whatsoever, elect to withhold such approval; however, in order to make such determination, we may require submission of specifications, information, or samples of such products, services, materials, forms, items or supplies. You shall pay and/or reimburse us for the reasonable costs of investigation in determining whether such products, services, materials, forms, items or supplies meet our specifications. We will advise you within a reasonable time whether such products, services, materials, forms, items or supplies meet our specifications.

Further, if we have designated or approved particular suppliers as the source for goods or services you use or sell in your Outlet, you may buy only from those suppliers that we have designated or approved. If you would like to buy goods or services from a supplier that we have not previously approved, you must notify us in writing and give us product specifications, sample products, and other information we request about the supplier. We will advise you within a reasonable time whether such proposed supplier meets our standards and specifications. If you ask us to approve a supplier, you must reimburse us for any expenses we reasonably incur in inspecting the supplier's premises, checking the supplier's credentials, or testing the supplier's products. As a condition of approving a supplier of any product that bears the Trade Name or Marks, the supplier must sign our form of license agreement to enable us to control the quality. We may withdraw our approval of any supplier if the supplier no longer meets our standards and specifications.

You shall participate in our Central Reservation System and our gift card program. You must accept Visa, MasterCard, American Express and Discover credit cards.

Unless you receive our prior consent (which we may withhold in our sole discretion), you may not offer for sale, under or in association with the EAGLERIDER Trade Name or Marks or the operation of your Outlet, new or used motorcycles or other vehicles. You may not provide, under or in association with the EAGLERIDER Trade Name or Marks or the operation of your Outlet, motorcycle or other vehicle repair or maintenance services for vehicles that you do not own or lease. You may not offer, rent or sell any products or services that we have not authorized you to provide under or in association with the EAGLERIDER Trade Name or Marks. You may provide rental vehicles only in the Rental Vehicle Classes that we have designated on Attachment 2 to this Agreement.

#### 7.3.5 Reservation Systems

You must use the browser-based EAGLERIDER® Rental Management System, or any successor reservation and booking system or program that we prescribe. You must adhere to the Rental Rates, Terms and Conditions of our Central Reservations Program, as modified from time to time, for any business you accept from us under the Central Reservations Program.

#### 7.3.6 Customer Satisfaction Program

You must distribute customer response cards in the form prescribed by us for return by your customers to us. If your scores from the customer response cards do not meet our currently effective standards, as described in the Operations Manual, we may suggest ways in which you can improve your scores. If you do not take immediate, effective steps to bring your operation up to our standards, your failure to do so will constitute a material breach of this Agreement.

#### 7.3.7 Maintenance and Upgrades

You agree to keep your Outlet premises, rental vehicles and other equipment, fixtures and furnishings clean and in excellent repair. Periodically, we will ask you to remodel the premises and to upgrade the equipment, fixtures and furnishings to meet our currently effective standards, all of which must be completed at your cost and expense. You must promptly comply with any such request.

#### 7.3.8 Professional Conduct

In all your dealings with us, your customers, your suppliers and others, you must adhere to the highest possible standards of professional conduct, courtesy, honesty, integrity, ethical behavior, dependability, good faith and fair dealing. You may not engage in any conduct that, in our reasonable opinion, may injure the goodwill associated with the Trade Name, Marks and System. You must do everything you can to promote and maintain the excellent reputation of the EAGLERIDER® System. Specifically, you agree that you shall: (i) conduct your business in an ethical and fair manner to the extent required by applicable laws, governmental rules and regulations; (ii) maintain facilities for your workers that provide a safe and healthy environment as required by applicable laws, governmental rules and regulations; (iii) comply with all applicable laws, governmental rules and regulations relevant to the conduct of your business; (iv) provide wages and benefits that comply with all applicable laws, governmental rules and regulations; (v) not exceed local work hours (to the extent doing so would violate any applicable laws, governmental rules and regulations) except for appropriately compensated overtime; (vi) expressly prohibit the use of and do not, directly or indirectly, knowingly or inadvertently, use child labor, i.e., a worker of less than sixteen (16) years of age or younger than the compulsory age to be in school; (vii) not knowingly

or otherwise use prison or forced labor or purchase materials from an entity that uses prison or forced labor, or child labor; (viii) not discriminate on the basis of race, creed, color, national origin, religion, sex, gender identity, sexual orientation, protected veteran status, disability, or as otherwise may be prohibited by applicable laws, governmental rules and regulations; (ix) not directly or indirectly pay, offer, or promise to pay, or authorize the payment of money or anything of value to any official, as defined in the Foreign Corrupt Practices Act or applicable anti-bribery legislation or regulation within any jurisdiction, or to any person while knowing or having reason to know that all or a portion of the payment will be offered, given, or promised, directly or indirectly, to an official for the purpose of (1) influencing any act or decision of the official in his or her official capacity; (2) inducing the official to do or omit any act in violation of his or her lawful duty; (3) obtaining any improper advantage; or (4) inducing an official to use his or her influence improperly to affect or influence any act or decision; and (x) not make any knowing misstatements or misrepresentations regarding H-D. Breach of this clause is a breach of this Agreement and, if material, are grounds for immediate termination without opportunity to cure.

### 7.3.9 Inspections

We have the right to conduct periodic quality control inspections of your Outlet during normal business hours. Quality control inspections may be made with or without prior notice. If so advised, you must promptly correct any deficiencies in your operations. If you do not take immediate, effective steps to bring the operation of your Outlet into compliance with our standards and specifications, your failure to do so will constitute a material breach of this Agreement.

### 7.3.10 Sale of EAGLERIDER® Products

You must purchase an opening inventory of EAGLERIDER® Products in the minimum amount of three thousand dollars (\$3,000). You must maintain an inventory of EAGLERIDER® Products for sale in your Outlet that is, in our reasonable estimation, sufficient to meet customer demand. You may purchase the EAGLERIDER® Products only from our designated or approved suppliers.

### 7.3.11 System Standards and Specifications

We will make available to you standards and specifications for products and services offered at or through the Outlet and for the Approved Location, equipment, furniture, fixtures, products offered for sale, inventory policies, employee attire, supplies, forms, advertising material and other items used in connection with the Outlet. We reserve the right to change standards and specifications for services and products offered at or through the Outlet and for the Approved Location, equipment, furniture, fixtures, inventory policies, products offered for sale, employee attire, supplies, forms, advertising material and other items used in connection with the Outlet, upon 30 days prior written notice to you. The standards and specifications may address (to the extent allowed by law) the maximum, minimum or other price requirements for products and services the Outlet sells, including requirements for special offers, discounts and promotions. You shall, at your expense and throughout the term of this Agreement, remain in compliance and strictly adhere to all of our current standards and specifications for the Outlet as prescribed from time to time.

### 7.3.12 Modification of System Standards and Specifications

Franchisee agrees to renovate, refurbish or replace, at its own expense, the décor, personal property, equipment, computer hardware, software and point-of-sale system used in the operation of the EAGLERIDER Outlet, when reasonably required by Franchisor in order to comply with the image, standards of operation and performance capability established by Franchisor from time to time. If

Franchisor changes its image or standards of operation, it shall give Franchisee a reasonable period of time within which to comply with such changes.

#### 7.3.13 Notification of Complaints

You must notify us promptly if you are served with a complaint in any legal proceeding that is in any way related to your Outlet or if you become aware that you are the subject of any complaint or investigation by any governmental authority or consumer protection agency.

### 7.4 Personnel

#### 7.4.1 Management

One of your principal owners or your Designated Manager must devote all his or her productive time and effort to the day-to-day management and operation of your Outlet. The Designated Manager or another employee who has successfully completed our initial training program must be present at the Approved Location whenever the Outlet is open for business. If you own more than one Outlet, an additional Designated Manager must be employed for each. If we, in our sole discretion, determine that a Designated Manager is not properly performing his or her duties, we will advise you and you must immediately take steps to correct the situation. You must keep us informed as to the identity of your Designated Manager. Upon the termination of employment of a Designated Manager, you must appoint a successor within thirty (30) days. Any successor Designated Manager must successfully complete our training program.

#### 7.4.2 Employees

You shall be exclusively responsible for the conduct and control of your employees and employment practices, including hiring, firing, training and compensation. You shall be fully responsible for all of your employees' compliance with the operational standards which are part of the System. You must conduct your employee training in a manner which ensures that your employees comply with such operational standards and all laws and regulations affecting Outlet operations. Any employee who does not satisfactorily complete our training, as described in this section, shall not work in any capacity in your Outlet. You and your employees shall present a professional appearance, in compliance with our standards and specifications as may be described in the Operations Manual, and shall render competent and courteous service to customers of the EAGLERIDER® Outlet. We have the right, in our sole and absolute discretion, to change or modify our dress code guidelines. Nothing in this Agreement shall be deemed to make your employees, representatives or agents (i) subject to our control, or (ii) our employees.

### 7.5 Advertising

#### 7.5.1 Pre-opening

You must spend at least one thousand five hundred dollars (\$1,500) on a grand opening marketing campaign. The campaign must be conducted according to the general guidelines stated in the Operations Manual. As part of the campaign, we will provide co-operative advertising of up to one thousand two hundred fifty dollars (\$1,250).

### 7.5.2 Local Advertising

You must spend a minimum of five percent (5%) of your Gross Revenue per month on local advertising and promotion that conforms to the specifications in the Operations Manual. For purposes of this paragraph, “**local advertising**” means advertising that is primarily directed to people or entities located within the geographic area around your Approved Location. You must submit, on or before the tenth (10th) day of each month, copies of invoices showing compliance with the provisions of this paragraph during the immediately preceding month. In addition, you must maintain at all times a professional tourist and hotel rack card brochure distribution service even if your Outlet’s business is highly seasonal.

### 7.5.3 Electronic Advertising

You shall not develop, create, contribute to, distribute, disseminate or use any Internet communication, including, without limitation, any Electronic Advertising relating to or associated with your Outlet, the Trade Name, Marks, System, other franchisees, other EAGLERIDER® Outlets, us, our employees, and Related Parties without our prior written consent, which consent may be withheld in our sole discretion. You acknowledge and agree that you will not post a blog, create or contribute to a website, engage in any type of social networking or conduct any type of Internet communication that refers to the Marks, the System, us, our affiliates and employees, any EAGLERIDER® Outlets or other franchisees without our prior written permission. We shall retain the exclusive right to develop, publish and control the content of all Electronic Advertising for the EAGLERIDER® System. We reserve the right, upon thirty (30) days prior written notice, to require you to participate in any Electronic Advertising. You acknowledge and agree that we shall own all Electronic Advertising related to or associated with the Marks and System, including, without limitation, all databases of customer email addresses and related customer information. We reserve the right to require you to change, delete or provide us access to any Electronic Advertising. If we permit or require you to develop any Electronic Advertising, you shall do so in strict compliance with our standards and specifications regarding the creation, maintenance, use, publication and content of such Electronic Advertising as set forth in this Agreement and the Operations Manual including, without limitation, our Search Engine Marketing Guidelines. Any amounts that you spend to participate in permitted or required Electronic Advertising shall be credited toward your local advertising obligations.

### 7.5.4 Signs

Subject to applicable law and your landlord’s consent, you must permanently display, at your own expense at your Approved Location, EAGLERIDER® signs of a nature, form, color, number, location and size, and containing any legends, that we designate in writing.

## 7.6 Financial Information

### 7.6.1 Records

You must record all rentals, sales and all receipts of revenue on individual machine serial-numbered receipts in a manner as we reasonably prescribe. Your point-of-sale system (“**POS System**”) must validate the receipts that are presented at the time of sale to your customers. You must retain daily sales reporting forms for at least three years after the dates of sale. If your POS system must be repaired, a replacement POS system must be used in its absence.



## 7.6.2 Reports

You must submit to us, on or before the tenth (10th) day following the end of each month, financial reports on the income and expenses of your Outlet in the format specified in the Operations Manual. We will require you to purchase or lease computer hardware and software and a POS system that meet the standards and specifications stated in the Operations Manual to facilitate the creation of standardized financial records and their conveyance to us. We reserve the right to require you to purchase new and upgraded computer hardware components and software or a new POS System upon 30 days prior written notice. You shall be responsible for all maintenance costs associated with the computer hardware, the POS System and the computer software. If we require you to do so, you shall join an Internet electronic network connection service, contract for high-speed Internet access, if available, and join an enterprise system to facilitate communication between us and you and/or among all EAGLERIDER® franchisees, and to facilitate our access to operating information. You must also submit to us, at the time of filing, copies of all federal, state and local income, sales, and property tax returns. We will use this data to confirm that you are complying with your obligations under this Agreement and to formulate earnings and expense information to disclose to prospective franchisees.

## 7.7 Insurance

You must buy before opening and maintain throughout the term of this Agreement, a policy or policies of comprehensive public liability insurance, including product liability coverage, covering all your Outlet assets, personnel, and activities on an occurrence basis with a combined single limit for bodily injury, death or property damage of not less than one million dollars (\$1,000,000). We may increase the minimum coverage requirement and revise the types of required insurance described in this Agreement upon 60 days' prior written notice to you. You must also carry casualty insurance in a minimum amount equal to the replacement value of your interest in your Outlet premises, including furniture, fixtures and equipment. In addition, you must maintain policies of worker's compensation insurance, disability insurance and any other types of insurance required by applicable law. Each insurance policy that is required under this Agreement must contain a provision that the policy cannot be canceled without thirty (30) days' written notice to us. It must be issued by an insurance company of recognized responsibility, designate us as an additional insured, and be satisfactory to us in form, substance and coverage. You must deliver a certificate of the issuing insurance company evidencing each policy to us within thirty (30) days after the policy is issued or renewed.

For any vehicle that you rent from your Outlet, you shall provide and maintain standard per occurrence comprehensive liability insurance, which coverage shall be primary as to us, protecting us against any and all liability, with combined single limit coverage for bodily injury and property damage liability of at least \$500,000 per occurrence. Furthermore, you shall provide and maintain on a primary basis as to us such excess liability insurance coverage covering bodily injury and property damage liability with policy limits and provisions conforming to such requirements as we may from time to time reasonably designate. You shall also keep each of the vehicles insured at all times against all risk of loss of damage in an amount not less than the replacement value of such vehicles, in amounts and with deductibles, covering loss from fire, windstorm and other comprehensive hazards, as well as loss from theft and collision.

## 7.8 Financial and Legal Responsibility

### 7.8.1 Compliance with Law

You must comply with all federal, state, and local laws and regulations pertaining, directly or indirectly, to the operation of your Outlet. You must keep current all licenses, permits, bonds and deposits

made to or required by any government agency in connection with the operation of your Outlet. You shall be solely responsible for any penalties or fines assessed for failure to abide by such laws and regulations.

#### 7.8.2 Payment of Indebtedness

You must pay promptly when due all taxes and debts that you incur in the conduct of your business including, without limitation, all amounts due and owing to us pursuant to any separate agreements between you and us and all amounts due and owing by you to all third parties, including affiliates of ours, national vendors and taxing authorities, with whom you do business at or through the Outlet. In connection with any amounts due and owing by you to third parties, you expressly acknowledge that a default by you with respect to such indebtedness may be considered a default hereunder and we may avail our self of all remedies provided for herein in the event of default.

#### 7.8.3 Data Security and Access

You must purchase, install and implement computer data security hardware and software, firewall protection, and security breach insurance through our designated or approved supplier. If a data security breach occurs, you must immediately notify us and comply with all investigation and remediation efforts related to such breach consistent with our standards and specifications. You authorize vendors designated or approved by us to conduct periodic data security and compliance audits and to perform remediation measures pursuant to our standards and specifications or you shall provide proof of compliance to us. We reserve the right to require on 30 days' notice that you purchase, install, and implement computer hardware and software upgrades, updates, and revisions for use in the operation of your Outlet. If you fail to purchase or maintain services or equipment that meet our standards, we may purchase such items on your behalf, and you must reimburse us. We also reserve the right to require you to provide us with reasonable access to information and data regarding your Outlet by computer modem, Internet connection or by other means.

### 7.9 Ownership of Business

You shall at all times during the term of this Agreement own and control the EAGLERIDER® Outlet authorized hereunder. Upon our request, you shall promptly provide us with satisfactory proof of such ownership. You represent that the Statement of Ownership, attached hereto as Attachment 6 and by this reference incorporated herein, is true, complete, accurate and not misleading, and, in accordance with the information contained in the Statement of Ownership, you hold the controlling ownership of the EAGLERIDER® Outlet. You shall promptly provide us with a written notification if the information contained in the Statement of Ownership changes at any time during the term of this Agreement and shall comply with the applicable transfer provisions contained in Article 9 herein. In addition, if you are an entity, all of your owners shall sign the Personal Guaranty and Subordination Agreement attached hereto as Attachment 7.

## 8. RELATIONSHIP OF PARTIES

### 8.1 Interest in Marks and System

You may not at any time do or cause to be done anything contesting or impairing our interest in our Trade Name, Marks or System. You will not acquire any rights in our Trade Name, Marks or System, except for your right to use them in accordance with the express terms of this Agreement and the standards and specifications in the Operations Manual. You acknowledge that we or our Related Party has the sole right to own, license and control your use of the "EAGLERIDER®" service mark and other of the Marks,

and that such Marks shall remain under the sole and exclusive ownership and control of us or our Related Party.

## **8.2 Change of Proprietary Marks**

If we or our affiliates, in our sole discretion, determine to modify or discontinue use of the Marks, or to develop additional or substitute proprietary marks, you shall, within a reasonable time after receipt of written notice from us, take such action, at your sole expense, as may be necessary to comply with such modification, discontinuation, addition or substitution. We shall not be obligated to reimburse you for any loss of goodwill associated with any modifications or discontinuance of the Marks or for any expenditures you make to promote a modified or substitute trademark or service mark. Your changes or improvements to the System, your usage of the Marks and System and any goodwill established thereby will inure to our exclusive benefit.

## **8.3 Independent Status**

You are an independent legal entity and must make this fact clear in your dealings with suppliers, lessors, government agencies, employees, customers and others. You will rely on your own knowledge and judgment in making business decisions, subject only to the requirements of this Agreement and the Operations Manual. You may not expressly or implicitly hold yourself out as an employee, partner, shareholder, member, joint venturer or representative of us or our Related Parties, nor may you expressly or implicitly state or suggest that you have the right or power to bind us or to incur any liability on our behalf. The parties acknowledge that their only relationship is by virtue of this Agreement and that no fiduciary relationship is created hereunder. Neither party is liable or responsible for the other's debts or obligations, nor shall either party be obligated for damages to any person or property directly or indirectly arising out of the operation of the other party's business authorized by or conducted pursuant to this Agreement. You may not use the words "EagleRider," "Eagle" or "Rider" as all or part of your corporate name, limited liability company name, or partnership name, or as all or part of a domain name or URL identifier.

## **8.4 Display of Trade Name and Marks**

You must operate your business under the Trade Name "EAGLERIDER® OF \_\_\_\_\_" You must conspicuously display a sign that states that "THIS EAGLERIDER® RENTAL VEHICLE OUTLET IS AN INDEPENDENTLY OPERATED FRANCHISED BUSINESS OWNED BY \_\_\_\_\_ [*your legal name*]" at your Approved Location. Business cards, stationery, purchase order forms, invoices, leases, tax returns and other documents that you use in your business dealings with suppliers, lessors, government agencies, employees and customers must clearly say that you are independently owned and operated. If space permits, they must state your legal name "doing business as" or "DBA" the EAGLERIDER® Trade Name.

## **8.5 Confidentiality**

You acknowledge and agree that our Confidential Information is confidential and proprietary and our unique, exclusive property and trade secrets, which has valuable goodwill associated with it. You also acknowledge and agree that any unauthorized disclosure or use of the Confidential Information would be wrongful and would cause us irreparable injury and harm. You further acknowledge and agree that we have expended a great amount of effort and money in obtaining and developing the Confidential Information, that we have taken numerous precautions to guard the secrecy of the Confidential Information, that it would be very costly for competitors to acquire or duplicate the Confidential Information and that

any unauthorized disclosure of such Confidential Information shall cause us irreparable harm. Consequently, you shall not at any time, publish, disclose, divulge or in any manner communicate to any person, firm, corporation, association, partnership or any other entity whatsoever or use, directly or indirectly, for your own benefit or for the benefit of any person, firm, corporation or other entity other than for the operation of your Outlet, any of our Confidential Information. We reserve the right to require that you cause each of your officers, directors, partners, shareholders, members, managers, Designated Manager and other management-level employees, and, if you are an individual, immediate family members, to execute a Nondisclosure and Noncompetition Agreement containing the above restrictions, in a form approved by us.

## **8.6 Non-Disparagement**

You agree that you shall not take any action or make any statements to any third parties that would constitute a criticism, denigration or disparagement of us, our Related Parties or the EAGLERIDER® System or would tend to be injurious to our reputation or goodwill or the Marks, or which in any manner may interfere with our business affairs or business relations.

## **8.7 Indemnification**

You agree to indemnify, defend and hold harmless the Indemnified Parties against, and to reimburse them for, all claims, obligations and damages described in this section, any and all third party obligations and any and all claims and liabilities directly or indirectly arising out of the operation of your EAGLERIDER® Outlet (including, without limitation, all claims and liabilities arising out of all acts and omissions of you and your employees related to labor and employment practices) or arising out of the use of the Trade Name, Marks and System in any manner not in accordance with this Agreement. For purposes of this indemnification, “**claims**” shall mean and include all obligations, actual and consequential damages and costs reasonably incurred in the defense of any claim against the Indemnified Parties (including any claims you bring against the Indemnified Parties), including, without limitation, reasonable accountants’, attorneys’ and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses. We shall have the right to defend any such claim against us. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

We will indemnify and hold you harmless from all expenses and liabilities arising from or in any way connected to a third party’s claim that your operation of an Outlet in accordance with this Agreement infringes the intellectual property of the third party claimant. If you are made a party to a legal proceeding in connection with any such infringement claim, we will hire counsel to protect your interests. You agree to cooperate fully with us in any such action.

## **8.8 Covenant Not to Compete**

You acknowledge that, in addition to the license of the Marks hereunder, we have also licensed commercially valuable information which comprises and is a part of the System, including without limitation, proprietary processes, operations, marketing and related information and materials and that the value of this information derives not only from the time, effort and money which went into its compilation, but from the usage of the same by all of our franchisees using the Marks and System. You therefore agree that other than the Outlet licensed herein, neither you nor any of your officers, directors, shareholders, Designated Manager, partners, members or managers, nor any member of his, her or their immediate families, will during the term of this Agreement:

- a) have any direct or indirect controlling interest as a disclosed or beneficial owner in a business performing or providing, or any business granting franchises or licenses to operate a business which performs or provides motorcycle, watercraft or power sports vehicle rental (a “**Competitive Business**”);
- b) perform services as a director, officer, partner, manager, employee, consultant, representative, agent or otherwise for a Competitive Business; or
- c) divert or attempt to divert any business related to, or any client or account of the Outlet, our or our affiliate’s business, any franchised EAGLERIDER® Outlet, by direct inducement or otherwise, to any Competitive Business by any direct inducement or otherwise.

However, you and your owners, members, partners, principals, and if an individual, members of the individual’s immediate family will not be prohibited from owning securities in a Competitive Business if such securities are listed on a stock exchange or traded on the over-the-counter market and represent in the aggregate 5% or less of that class of securities issued and outstanding.

Upon termination or expiration of this Agreement for any reason, you and your officers, directors, shareholders, managers, members and/or partners agree that, for a period of two (2) years commencing on the effective date of termination or expiration, or the date on which you cease to conduct business, whichever is later, neither you or any Designated Manager, nor your officers, directors, shareholders, managers, members and/or partners will have any direct or indirect interest (through any immediate family member of you or your owners or otherwise) as a disclosed or beneficial owner, investor, partner, manager, member, director, officer, employee, consultant, representative or agent or in any similar capacity in any Competitive Business, as defined above, located or operating within a 50 mile radius of any Outlet, whether franchised, company-owned or Related Party-owned. The restrictions of this Section will not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent 5% or less of the number of shares of that class of securities issued and outstanding. You and your officers, directors, shareholders, managers, members and/or partners expressly acknowledge that they possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Section will not deprive them of their personal goodwill or ability to earn a living.

## **8.9 Personal Information**

You acknowledge that we collect personal information from you and (if you are not an individual) from your Related Parties in various ways, including application forms, surveys, inspection reports, email messages and other communications, from information you post on our intranet, and from information we collect from references, search agencies, financial institutions, credit reporting agencies and other sources. This personal information may include your name, business address and telephone number, home address and telephone number, email addresses, revenues, expenses, profits and any other financial information relating to the operation of your Outlet. You acknowledge that we may use your personal information to provide services to you under this Agreement, to promote the sale of franchises and to ensure that you comply with this Agreement and other applicable agreements and laws.

You acknowledge that we may distribute your personal information to third parties, including prospective franchisees, existing franchisees, area developers, financial institutions, landlords, lawyers, credit bureaus, statutory authorities and licensing bodies, for any reasonable purpose. You also acknowledge that in the case of a proposed sale of our shares or assets, certain of your financial information may be made available to potential purchasers. You irrevocably consent to our collecting, using and

disclosing your personal information for any of the purposes described above. You will cause your Related Parties to sign a written consent to these acts at our request.

#### **8.10 Payment of Other Obligations**

We shall have no liability for your obligations to pay any third parties, including without limitation, banks, other lenders, government agencies, any product vendors, suppliers, dealers or any sales, use, service, occupation, excise, gross receipts, income, property or other tax levied upon you, your property, the Outlet or upon us in connection with the sales made or business conducted by you (except any taxes we are required by law to collect from you with respect to purchases from us). In addition, we shall not be liable for any claims arising from labor or employment law violations committed by you or your employees.

#### **8.11 Interpretation**

If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority, arbitrator or other arbiter of any dispute arising hereunder, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement which shall otherwise remain in full force and effect. If the restrictions concerning the time duration, geography, affected individuals or entities, or breadth of activity contained in Section 8.8 are held to be unenforceable under any applicable law, the arbiter of any dispute regarding this Agreement is hereby authorized to and shall make only such limited changes as are necessary to make the restrictions enforceable.

### **9. TRANSFER OF FRANCHISE**

#### **9.1 Purpose of Conditions for Approval of Transfer**

Our grant of this franchise is made in reliance upon your integrity, ability, experience and financial resources. You may not Transfer your Outlet, any assets of your Outlet, any of your ownership interests or any rights under this Agreement unless you have first obtained our written consent, which may not be unreasonably withheld. To ensure that no Transfer jeopardizes the Trade Name, Marks, System or our interest in the successful operation of your Outlet, we will consent to a Transfer only if you comply with the provisions of Sections 9.2 and 9.3 of this Agreement and if the conditions described in Section 9.5 are fulfilled.

#### **9.2 Notice of Proposed Transfer**

If you would like to Transfer your Outlet, any assets of your Outlet, any of your ownership interests or any rights under this Agreement, you must submit to us: (a) the form of franchise application currently in use by us, completed by the prospective buyer, (b) a written notice, describing all the terms and conditions of the proposed Transfer, (c) the Transfer fee described in Article 6 of this Agreement, and (d) such additional information that we request. If we do not approve the Transfer, we will return the Transfer fee to you after deducting direct costs incurred in connection with the proposed Transfer.

#### **9.3 Consent to Transfer**

We must respond in writing to your written notice requesting Transfer within thirty (30) days after receiving it, or, if we request additional information, within thirty (30) days after receipt of the additional information. We may either consent to the Transfer, tell you our reason for refusing to consent, or exercise our right of first refusal as described below. Our silence shall not be construed as our consent to the Transfer.

If we consent to the Transfer, you may Transfer the interest described in the notice only to the proposed buyer named in the notice and only upon the terms and conditions stated in the notice. Consent by us to a particular Transfer will not constitute consent to any other or subsequent Transfer.

#### **9.4 Right of First Refusal**

If you wish to Transfer your rights under this Agreement, all or a substantial portion of the assets of your EAGLERIDER® Outlet or the controlling interest in any business entity that owns it, you agree to grant to us a thirty (30) day right of first refusal to purchase such rights, interest or assets on the same terms and conditions as are contained in the written offer to purchase submitted to you by the proposed purchaser; provided, however, all of the following additional terms and conditions will apply:

You will notify us of such offer by sending a written notice to us (which notice may be the same notice as required by Section 9.2 above), enclosing a copy of the written offer from the proposed purchaser. If you are an entity and one or more owners of the entity wish to Transfer or otherwise dispose of a controlling interest in the entity or if the entity wishes to make a public or private offer of its stock or other ownership interests, you must submit to us at least 30 days in advance of the proposed effective date, and obtain our prior written approval, of the proposed documents effectuating the Transfer or other disposition.

The thirty (30) day right of first refusal period will run concurrently with the period in which we have to approve or disapprove the proposed transferee. The right of first refusal is effective for each proposed Transfer and any material change in the terms or conditions of the proposed Transfer will be deemed a separate offer on which a new thirty (30) day right of first refusal will be given to us.

If the consideration or manner of payment offered by a third party is such that we may not reasonably be required to furnish the same consideration, then we may purchase the interest which is proposed to be sold for the reasonable cash equivalent. If the parties cannot agree within a reasonable time on the cash consideration, we and you shall designate an independent appraiser who, in turn, shall designate a third independent appraiser. The third appraiser's determination will be binding. All expenses of the appraiser shall be paid for equally between you and us.

If we choose not to exercise our right of first refusal, you will be free to complete the Transfer, subject to compliance with this Article. Absence of a reply to your notice of a proposed Transfer within the thirty (30) day period is deemed a waiver of such right of first refusal, but not a consent to any proposed Transfer.

#### **9.5 Conditions for Consent to Transfer**

Our consent to a Transfer is subject to certain conditions, including but not limited to:

- a) Our satisfaction that the proposed buyer meets all of the criteria of character, business experience, financial responsibility, net worth and other standards that we customarily apply to new franchisees at the time of Transfer;
- b) Your payment of all amounts owed to us and our Related Parties under this Agreement, any other agreement(s) between us or our Related Party and you;
- c) Your cure of all defaults under this Agreement, any other agreement(s) between us or our Related Party and you, and the Operations Manual;

d) Signing by the buyer of the then-current form of franchise agreement, appropriately amended in light of the fact that the business is already operational. If a new franchise agreement is signed, the terms thereof may differ from the terms of this Agreement; provided, however, the transferee will not be required to pay any additional initial franchise fee;

e) Your payment of the Transfer fee described in Article 6 of this Agreement;

f) Completion by the buyer of our initial training program to our satisfaction;

g) Your signing of a release of claims, in the form provided by us, with respect to past dealings with us and our Related Parties;

h) Neither the transferee nor any of its direct or indirect owners or affiliates operates, has an ownership interest in or performs services for a Competitive Business; and

i) Your agreement to abide by the post-termination covenant not to compete set forth in Section 8.8 above.

## **9.6 Transfers Not Subject to Standard Conditions**

Transfers to the following types of transferees are not subject to the standard conditions described above:

a) Any trustee, guardian or conservator for the account and benefit of a spouse, ancestor or descendent.

b) Any business entity if the beneficial ownership of the business entity immediately following the assignment is the same and in the same proportions as the beneficial ownership immediately before the assignment. Instead, before the Transfer is effective, the transferee must (i) sign the current form of franchise agreement, amended to shorten the term to the remainder of the original terms and to delete startup obligations of both parties, (ii) provide us with a Statement of Ownership (in the form attached to this Agreement as Attachment 6) which lists the owners of the new entity together with their addresses and percentages of ownership and (iii) provide a personal guaranty from each original guarantor and the original franchisee.

c) Any of your employees under any employee stock option plan or stock purchase plan, provided that any share certificate distributed under such a plan is marked with a legend describing the restrictions and conditions of Transfer required by this Agreement.

## **9.7 Assignment Upon Death or Disability**

If you die or are permanently disabled during the term of this Agreement, your heirs or beneficiaries may have sixty (60) days within which to demonstrate to our satisfaction that they meet all of the criteria of character, business experience, financial responsibility, net worth and other standards that we require of new franchisees at that time. If we approve your heirs or beneficiaries as buyers of the franchise and they meet the other conditions of Transfer, we will waive any Transfer fee in connection with the Transfer. If we advise your heirs or beneficiaries in writing that we will not approve them as transferees of the franchise, or if we fail to approve or disapprove the Transfer within sixty (60) days following your death or permanent disability, your heirs or beneficiaries may have one hundred twenty (120) additional days from the date of disapproval of the Transfer or the end of the sixty (60)-day period, whichever is first, within which to find



and notify us of a proposed Transfer to a qualified buyer in conformity with the provisions of Sections 9.2, 9.3, and 9.5 of this Agreement. If your heirs or beneficiaries do not advise us of a qualified buyer within the specified period, the franchise will automatically terminate at the end of the period unless we have granted a written extension of time. For the purposes hereof, the term “**permanent disability**” shall mean a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent you or the owner of a controlling interest in you from supervising the management and operation of the EAGLERIDER® Outlet for a period of 120 days from the onset of such disability, impairment or condition.

## **9.8 Assignment by EagleRider**

We may assign or transfer this Agreement or any of our rights or obligations created by it at any time without your consent, so long as the assignee or transferee assumes our obligations under this Agreement, and we shall in such event be fully released from same.

## **10. TERMINATION OF FRANCHISE**

### **10.1 Termination by Consent of the Parties**

This Agreement may be terminated upon the mutual written consent of the parties.

### **10.2 Termination by EagleRider**

#### **10.2.1 Notice of Default**

At our option, Termination of your franchise will be effective immediately upon written notice if the default described in Section 10.2.2(a) below has not been cured within ninety (90) days after written notice of default was given to you. Termination of your franchise will be effective thirty (30) days after written notice of default is given to you if any of the defaults described in Sections 10.2.2 (b), (c) and (d) below have not been cured. Termination will be effective five (5) days after written notice is given to you if the default described in Section 10.2.2(e) below has not been cured. Termination will be effective immediately upon written notice to you if any of the defaults described in Section 10.2.2(f) through (p) below occurs.

#### **10.2.2 Events of Default**

Subject to the applicable cure periods, if any, and notice provisions stated in the preceding subsection, upon the occurrence of any of the following defaults, we may, at our option, terminate this Agreement:

a) If you do not meet your minimum performance obligations with respect to any Rental Vehicle Class in a given year, calculated on an annualized basis. Alternatively, we may, at our option, terminate your rights in only the Rental Vehicle Class as to which you have failed to meet your minimum performance obligations;

b) If you fail to submit to us in a timely manner any information you are required to submit under this Agreement;

c) If you fail to begin operation of your Outlet by the Start Date of this Agreement or if you fail to operate your Outlet in accordance with this Agreement and the Operations Manual;

- d) If you default in the performance of any material obligation under this Agreement or any other agreement with us or our Related Party;
- e) If you fail to make any payment when due under this Agreement or any other agreement between you and us or our Related Party;
- f) If you misuse our Trade Name, Marks or the System or engage in conduct which reflects materially and unfavorably upon the goodwill associated with them or if you use in an Outlet any names, marks, systems, logotypes or symbols that we have not authorized you to use;
- g) If you or any of your Related Parties have any direct or indirect interest in the ownership or operation of a Competitive Business or otherwise breach Section 8.8 above, or if you fail to give us a signed copy of the Nondisclosure and Noncompetition Agreement for each of your shareholders, officers and directors within ten (10) days after we request it;
- h) If you Transfer or otherwise assign the franchise, an interest in the franchise or in you (if you are an entity), this Agreement, the EAGLERIDER® Outlet or a substantial portion of the assets of the EAGLERIDER® Outlet owned by you without complying with the provisions of Article 9 above;
- i) If you or your Related Party has made any material misrepresentation to us in the acquisition of an Outlet or to induce us to enter into this Agreement or if you keep false books or if you or your Related Party has made any material misrepresentation to us in the operation of your Outlet;
- j) If you act without our prior written approval or consent in regard to any matter for which our prior written approval or consent is expressly required by this Agreement;
- k) If you cease to operate your Outlet, unless: (i) operations are suspended for a period of no more than one hundred eighty (180) days and (ii) the suspension is caused by fire, condemnation, or other act of God;
- l) If we give you written notice of any default and we have twice previously given you written notice of the same type of default within the preceding twelve (12) months, regardless of whether you cured the previous defaults;
- m) If we make a reasonable determination that the operation of your Outlet poses a threat to public health or safety;
- n) if you become insolvent or are adjudicated a bankrupt; or if any action is taken by you, or by others against you under any insolvency, bankruptcy or reorganization act, (this provision may not be enforceable under federal bankruptcy law, 11 U.S.C. §§ 101 et seq.); or if you make an assignment for the benefit of creditors or a receiver is appointed by you;
- o) If you are convicted of a felony, a crime involving moral turpitude or any crime or offense that is reasonably likely, in our sole opinion, to materially and unfavorably affect the System, Marks, goodwill or reputation thereof; or
- p) If you intentionally or negligently disclose to any unauthorized person the contents of or any part of our Operations Manual or any of our other trade secrets or confidential information.

### 10.3 Rights and Obligations After Termination

Upon expiration or termination of this Agreement for any reason, the parties will have the following rights and obligations:

- a) We will have no further obligations under this Agreement;
- b) You must give us a final accounting for your Outlet, pay within thirty (30) days after Termination all payments due to us and our Related Parties, and return the Operations Manual and any other property belonging to us to us;
- c) You must immediately and permanently stop using the Trade Name, Marks or any confusingly similar marks, System, or any advertising, signs, stationery, or forms that bear identifying marks or colors that might give others the impression that you are operating an Outlet, and you will refrain from any statement or action that might give others the impression that you are or ever were affiliated with the EAGLERIDER® System;
- d) You must promptly sign any documents and take any actions that in our reasonable judgment are necessary to delete your listings from classified telephone directories, disconnect or, at our option, assign to us all telephone numbers that have been used in your Outlet, and terminate all other references that indicate you are or ever were affiliated with us. By signing this Agreement, you irrevocably appoint us your attorney-in-fact to take the actions described in this paragraph if you do not do so yourself within seven (7) days after Termination of this Agreement;
- e) You must maintain all records required by us under this Agreement for a period of not less than three (3) years after final payment of any amounts you owe to us when this Agreement is Terminated;
- f) If we do not exercise our option to purchase described below in this Section, cease to identify the Outlet as being, or having been, associated with us and, if we deem necessary, paint or otherwise change the interior and exterior of the Outlet to distinguish it from an EAGLERIDER® Outlet and immediately cease using any of our proprietary marks or any mark in any way associated with the Marks and the System;
- g) Abide by all restrictive covenants set forth in Article 8 of this Agreement and, if exercised by us, our option to purchase described below in this Section;
- h) We may purchase any or all of the physical assets of your Outlet, including your rental vehicles and other equipment, supplies and inventory, during a period of sixty (60) days following the effective date of Termination, valued as follows:
  - i) The lower of cost or fair market value of the supplies and inventory; and
  - ii) Depreciated value of other tangible personal property calculated on the straight-line method over a five (5) year life, less any liens or encumbrances.

We must send written notice to you within thirty (30) days after Termination of this Agreement of our election to exercise the option to purchase. If the parties do not agree on a price within the option period, the option period may be extended for up to fifteen (15) business days to permit appraisal by an independent appraiser who is mutually satisfactory to the parties. If the parties fail to agree upon an appraiser within the specified period, each must appoint an appraiser and the two appraisers thus appointed must agree on a

third appraiser within ninety (90) days after Termination who must determine the price for the physical assets of your Outlet in accordance with the standards specified above. This determination will be final and binding upon both us and you;

i) We have an option to replace you as lessee under any vehicle or equipment lease for vehicles or equipment used in connection with your Outlet. Upon request by us, you must give us copies of the leases for all vehicles and equipment used in your Outlet immediately upon Termination. Upon request by us, you must allow us the opportunity, at a mutually satisfactory time, to inspect the leased vehicles and equipment. We must request the information and access described in this paragraph within fifteen (15) days after Termination, and we must advise you of our intention to exercise the option within fifteen (15) days after we have received the information and inspected the equipment. We may assume any vehicle or equipment lease in return for our assumption of future obligations under the lease; and

j) If this Agreement is terminated because of your material default, nothing in this section may be construed to deprive us of the right to recover damages as compensation for lost future profits. Termination of this Agreement will not end any obligation of either party that has come into existence before Termination. All obligations of the parties, which by their terms or by reasonable implication are to be performed in whole or in part after Termination, will survive Termination.

## **11. MISCELLANEOUS PROVISIONS**

### **11.1 Construction of Contract**

Section headings in this Agreement are for reference purposes only and will not in any way modify the statements contained in any section of this Agreement. Each word in this Agreement may be considered to include any number or gender that the context requires.

### **11.2 Governing Law**

This Agreement, the relationship between the parties and any claims or disputes arising therefrom will be governed by and interpreted under the laws of the state where the Outlet is located, with the following exceptions: (a) the arbitration clause will be exclusively governed by and should be construed according to the Federal Arbitration Act, and (b) trademark rights will be governed by and construed according to the Lanham Act. WE, OUR AFFILIATES, YOU AND YOUR AFFILIATES EACH WAIVE THEIR RIGHTS TO A TRIAL BY A JURY.

### **11.3 Notices**

The parties to this Agreement should direct any notices to the other party at the address below that party's name on the final page of this Agreement or at another address if advised in writing that the address has been changed. Notice may be delivered by facsimile, email, courier, or first class mail. Notice by facsimile or email will be considered delivered upon transmission, notice by courier will be considered delivered upon attempted delivery if the recipient refuses or fails to claim delivery or delivery, and notice by first class mail will be considered delivered three days after posting. Notice of termination or nonrenewal must be given by a receipted form of delivery.

## **11.4 Amendments**

The parties to this Agreement may modify this Agreement only upon execution of a written agreement between the two parties. You acknowledge that we may modify our standards, specifications and operating and marketing procedures set forth in the Operations Manual unilaterally under any conditions and to the extent in which we, in our sole discretion, deem necessary to protect, promote or improve the Marks and the quality of the System, but under no circumstances will such modifications be made arbitrarily without such determination.

## **11.5 Waiver**

Waiver of any breach of this Agreement may not be interpreted as a waiver of any subsequent breach. No delay, waiver, omission or forbearance on our part to exercise any right, option, duty or power arising out of any breach or default by you or any other franchisee under any of the terms, provisions, covenants or conditions of this Agreement, and no custom or practice by the parties at variance with the terms of this Agreement, shall constitute a waiver by us to enforce any such right, option, duty or power as against you, or as to subsequent breach or default by you. Our subsequent acceptance of any payments due to us hereunder shall not be deemed to be a waiver by us of any preceding or succeeding breach by you of any terms, provisions, covenants or conditions of this Agreement.

## **11.6 Integration**

This Agreement and any exhibits or attachments to it are the entire agreement between the parties concerning the franchise it grants. All other agreements and representations, other than representations in the disclosure document, are superseded by it. No modifications of this Agreement shall be effective except those in writing and signed by both parties. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made by us in the franchise disclosure document that we provided to you.

## **11.7 Negotiation and Mediation**

### **11.7.1 Agreement to Use Procedure**

The parties have reached this Agreement in good faith and in the belief that it is mutually advantageous to them. In the same spirit of cooperation, they pledge to try to resolve any dispute without litigation or arbitration. Except as provided in [Section 11.2](#) with regard to bringing a civil action relating to the Marks or enforcement of a covenant not to compete and [Section 11.9](#) in regard to injunctive relief, the parties agree that, if any dispute arises between them, before beginning any legal action to interpret or enforce this Agreement, they will first follow the procedures described in this section. Good-faith participation in these procedures to the greatest extent reasonably possible, despite lack of cooperation by one or more of the other parties, is a precondition to maintaining any legal action or arbitration to interpret or enforce this Agreement.

### **11.7.2 Initiation of Procedures**

The party that initiates these procedures must give written notice to the other party, describing in general terms the nature of the dispute and specifying the party's claim for relief. The parties agree to meet in person or by pre-arranged teleconference within fourteen (14) days from the date of the written notice of dispute to discuss resolution of the dispute.

### 11.7.3 Mediation

If the dispute has not been resolved within thirty (30) days after the initial meeting, or if it is clear after the meeting that the dispute cannot be resolved without third party assistance, either party may begin non-binding mediation procedures in a further effort to settle the dispute amicably. Mediation will be conducted by and under the rules of the American Arbitration Association (“AAA”), as varied by this clause, in Los Angeles County, California. The mediator must be an attorney with substantial experience in representing franchisors, franchisees or both with no past or present affiliation or conflict with us, you, or any other party to the mediation. The parties agree that the mediator shall be disqualified as a witness, expert, consultant or attorney in any pending or subsequent proceeding relating to the dispute which is the subject of the mediation. If the AAA does not have a mediator on its local mediation panel who meets this requirement, it is instructed to consider its panel of arbitrators, mediators outside the geographic area, or mediators suggested by the parties who meet the requirement.

If the parties cannot agree on a mediator and the AAA administers the mediation, the AAA shall provide the parties with a list of mediators willing to serve. If the parties do not agree upon a mediator and so advise the AAA in writing, within 10 days of receipt of such list, the AAA shall appoint the mediator. The fees and expenses of the AAA, if applicable, and the mediator’s fee, shall be shared equally by the parties. Each party shall bear its own attorneys’ fees and other costs incurred in connection with the mediation irrespective of the outcome of the mediation or the mediator’s evaluation of each party’s case.

a) The mediation proceeding shall commence within 30 days after selection of the mediator, regardless of whether we or you initiate the mediation. The mediation shall be conducted at our principal offices, unless the parties agree upon a mutually acceptable alternative location or to mediate remotely.

b) At least 14 days before the first scheduled session of the mediation, the party that initiates the mediation shall deliver to the mediator and to the other party a concise written summary of its position with respect to the matters in dispute and its claims for relief, and such other matters required by the mediator and at least 7 days before the first scheduled session of mediation, the responding party shall deliver to the mediator and to the other party a concise written summary of its position with respect to the matters in dispute and responding party’s defenses or counterclaims, and such other matters required by the mediator.

c) The parties shall participate in good faith in the mediation with the intention of resolving the dispute, if at all possible. The parties recognize and agree, however, that the mediator’s recommendations and decision shall not be binding on the parties unless otherwise agreed in writing.

d) During the mediation, the mediator may have joint and separate meetings with the parties and their counsel, at the mediator’s discretion. The mediation proceeding shall continue until conclusion, which is deemed to occur when: (i) a written settlement is reached, (ii) the mediator concludes and informs the parties in writing that further efforts would not be useful, or (iii) the parties agree in writing that an impasse has been reached. Neither party may withdraw before the conclusion of the mediation proceeding.

e) The mediation proceeding will be treated as a compromise settlement negotiation. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation proceeding by any party or their agents, experts, counsel, employees or representatives, and by the mediator are confidential. Such offers, promises, conduct and statements may not be disclosed to any third party and are privileged and inadmissible for any purpose, including impeachment, under applicable laws or rules of evidence; provided, however, that evidence otherwise discoverable or admissible shall not be rendered not discoverable or inadmissible as a result of its use in the mediation. If a party informs the mediator that

information is conveyed in confidence by the party to the mediator, the mediator will not disclose the information.

### **11.8 Arbitration**

Any dispute arising out of or in connection with this Agreement and/or the franchise relationship (including, without limitation, statutory claims arising out of the Agreement and franchise relationship), if not resolved by negotiation or mediation as described above, must be determined by binding arbitration in Los Angeles County, California, by and under the rules for commercial arbitration of the AAA, except to the extent that the express provisions of this Agreement vary the Rules. This arbitration clause will not deprive either party of any right it may otherwise have to seek provisional injunctive relief from a court of competent jurisdiction. The arbitrator must be an attorney with substantial experience in representing franchisors, franchisees or both. If the AAA does not have an arbitrator on its local panel who meets this requirement, it is instructed to consider arbitrators outside the geographic area or arbitrators suggested by the parties who meet the requirement. There will be no discovery beyond that required in an arbitration proceeding by applicable state law, unless the parties mutually agree otherwise by a writing signed by officers of the parties rather than by litigation counsel or the arbitrator determines that manifest injustice would occur without carefully limited additional discovery. The arbitrator will have no power to make any award that modifies or suspends any lawful provision of this Agreement and must provide a reasoned award. The award and decision of the arbitrator shall be conclusive and binding upon all parties hereto. Judgment on any award may be entered by any court of competent jurisdiction.

The arbitrator shall have the right to award or include in the award any relief which he or she deems proper in the circumstances including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, and attorneys' fees and costs, in accordance with Section 11.10 of this Agreement, provided that the arbitrator shall not award exemplary or punitive damages. Each party waives any right to contest the validity or enforceability of such award. The parties agree to be bound by the provisions of any applicable limitation on the period of time by which claims must be brought under applicable law or this Agreement, whichever is less. The parties further agree that, in connection with any such arbitration proceeding, each shall file any compulsory counterclaims (as defined by Rule 13 of the Federal Rules of Civil Procedure) within 30 days after the date of the filing of the claim to which it relates. This provision shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. The parties agree that arbitration shall be conducted on an individual and not a class-wide basis, and that an arbitration proceeding between the parties shall not be consolidated with any other arbitration proceeding involving us and any other party.

### **11.9 Limitation of Actions and Injunctive Relief**

Except as to non-waivable statutory claims and those claims brought under the indemnification or insurance coverage provisions of Sections 8.7 and 7.7, neither party may maintain any action or arbitration against the other party unless (a) the party makes reasonable good faith efforts to follow the negotiation and mediation procedures described above, and (b) files an arbitration within one (1) year after the party knows or should know the facts constituting the cause of action.

The parties to this to this Agreement shall each have the right in the proper case to obtain injunctive relief from a court of competent jurisdiction. You agree that we may obtain such injunctive relief, without posting a bond or bonds totaling more than \$500, but upon due notice, and your sole remedy in the event of the entry of such injunctive relief shall be the dissolution of such injunctive relief, if warranted, upon hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by you.

#### **11.10 Attorneys' Fees and Costs**

If legal action, including any action on appeal, or arbitration is necessary to enforce the terms and conditions of this Agreement, the prevailing party will be entitled to recover reasonable compensation for preparation, investigation and court or arbitral costs or both and reasonable attorney fees, as fixed by a court of competent jurisdiction or by the arbitrator. This clause should not be interpreted as a waiver of the mandatory binding arbitration clause above.

#### **11.11 Severability**

Each provision of this Agreement will be considered severable. If, for any reason, any of its provisions is determined to be invalid or in conflict with any existing or future law or regulation, that provision will not impair the operation of the remaining provisions of this Agreement. The invalid provisions will be considered not to be a part of this Agreement. However, if we determine that the finding of illegality adversely affects the basic consideration for our performance under this Agreement, we may, at our option, rescind this Agreement. If the restrictions concerning the time duration, geography, affected individuals or entities, or breadth of activity contained in Section 8.8 are held to be unenforceable under any applicable law, the arbiter of any dispute regarding this Agreement is hereby authorized to and shall make only such limited changes as are necessary to make the restrictions enforceable.

#### **11.12 Individual Dispute Resolution**

Any arbitration or litigation between or among the parties to this Agreement and any of their Related Parties will be conducted on an individual basis and not on a consolidated or class-wide basis.

#### **11.13 Approval and Guaranties**

If you are a corporation, all officers and shareholders with a ten percent (10%) or greater interest in you, or, if you are a partnership, all your general partners, or, if you are a limited liability company, all your members, must approve this Agreement, permit you to furnish the financial information required by us, and agree to the restrictions placed on them, including restrictions on the Transferability of their interests in the franchise and your Outlet and limitations on their rights to compete, and sign separately written guaranties of your payments and performance, in the form provided by us.

#### **11.14 Acceptance by EagleRider**

This Agreement will not be binding on us unless and until our authorized officer has signed it. The effective date of this Agreement may be adjusted to an earlier date if the parties are signing it as a successor to an earlier franchise agreement in order to avoid giving you a longer term under the successor franchise agreement if the term of the prior agreement was extended until the successor agreement became effective.

#### **11.15 Review of Agreement**

You acknowledge that you have had a copy of this Agreement in your possession for a period of time not less than 14 calendar days or 10 full business days, whichever is applicable.



#### **11.16 No Right to Set Off**

You shall not be allowed to set off amounts owed to us for Royalties, fees or other amounts due hereunder, against any monies owed to you, nor shall you in any event withhold such amounts due to any alleged nonperformance by us hereunder, which right of set off is hereby expressly waived by you.

#### **11.17 No Third-Party Beneficiaries**

You acknowledge and agree that neither you nor any of your officers, directors, members, managers, employees, affiliates, successors or assigns shall be deemed a third-party beneficiary of any agreement between us and another franchisee or any other party, unless specifically agreed to by us in writing.

#### **11.18 Delegation by EagleRider**

From time to time, we shall have the right to delegate the performance of any portion or all of our obligations and duties hereunder to third parties, whether the same are agents of ours or independent contractors which we have contracted with to provide such services. You agree in advance to any such delegation by us of any portion or all of our obligations and duties hereunder.

#### **11.19 Payment of Taxes**

You shall reimburse us, or our affiliates and designees, promptly and when due, the amount of all sales taxes, use taxes, personal property taxes and similar taxes imposed upon, required to be collected or paid by us, or our affiliates or designees, on account of services or goods furnished by us, our affiliates or designees, to you through sale, lease or otherwise (except for any taxes we or our affiliates are required by law to collect from you with respect to products purchased from us and our affiliates), or on account of collection by us of the initial franchise fee, Royalties, or any other payments made by you to us required under the terms of this Agreement.

#### **11.20 Cumulative Rights**

The rights and remedies of the parties are cumulative and no exercise or enforcement by us or you of any right or remedy hereunder shall preclude the exercise or enforcement by us or you of any other right or remedy hereunder which we or you are entitled by law to enforce.

#### **11.21 COMPLIANCE WITH CONTRACTUAL OBLIGATIONS**

YOU REPRESENT THAT NEITHER YOUR SIGNING OF THIS AGREEMENT NOR YOUR PERFORMANCE OF YOUR OBLIGATIONS UNDER THIS AGREEMENT CONSTITUTES A BREACH OR DEFAULT OF YOUR CONTRACTUAL OBLIGATIONS TO ANY THIRD PARTY. YOU ACKNOWLEDGE THAT WE ARE RELYING ON THIS REPRESENTATION IN ENTERING INTO THIS AGREEMENT. YOU EXPRESSLY AGREE TO INDEMNIFY US AND HOLD US HARMLESS AGAINST ANY CLAIMS, DAMAGES OR LOSSES THAT WE WOULD NOT HAVE INCURRED IF THIS REPRESENTATION WERE TRUE.

#### **11.22 NO WAIVER; NO DISCLAIMER**

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.

*[Signature Page to Follow]*

IN WITNESS TO THE FOREGOING, the parties to this Agreement sign and deliver it.

FRANCHISOR

EAGLERIDER, INC.

Date: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Title: \_\_\_\_\_

11860 S. La Cienega Boulevard

Hawthorne, CA 90250

Sign here if Franchisee is an individual\* or a married couple.

FRANCHISEE

Date: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Franchisee Address: \_\_\_\_\_

\_\_\_\_\_

\*Multiple individuals, other than a married couple, who wish to enter into this Agreement must form a company to sign as a single franchisee in the company block below.

Sign here if Franchisee is a company:

FRANCHISEE

Company Name: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Title: \_\_\_\_\_

Franchisee Address: \_\_\_\_\_

\_\_\_\_\_

**ATTACHMENT 1  
TO FRANCHISE AGREEMENT  
STATE-SPECIFIC ADDENDA**

**1. INTRODUCTION**

These State-Specific Addenda (“**Addenda**”) are effective on the same date as the Franchise Agreement (“**Agreement**”) to which they are attached. The parties to the Addenda are the parties to the Agreement. The purpose of the Addenda is to modify certain clauses of the Agreement to meet the requirements of regulatory agencies in particular states.

**2. AGREEMENT**

The parties agree as follows:

**2.1 California**

The following provisions apply to you if you live in California or the Outlet will be located in California:

2.1.1 The Franchise Agreement requires franchisee to execute a general release of claims upon renewal or transfer of the franchise agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order there under is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043)).

2.1.2 California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. The Federal Bankruptcy Code also provides rights to franchisee concerning termination of the Franchise Agreement upon certain bankruptcy-related events. If the Franchise Agreement is inconsistent with the law, the law will control.

2.1.3 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.

2.1.4 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.

**2.2 Hawaii**

The following provisions apply to you if you live in Hawaii or the Outlet will be located in Hawaii:

2.2.1 No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any

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claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**2.3 New York**

The following provisions apply to you if you live in New York or the Outlet will be located in New York:

2.3.1 Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Section 680 - 695 may not be enforceable.

2.3.2 Any provision in the Franchise Agreement requiring franchisee to sign a general release of claims against franchisor does not release any claim franchisee may have under New York General Business Law, Article 33, Sections 680-695.

**3. INCORPORATION OF FRANCHISE AGREEMENT**

The terms and conditions of the Agreement are incorporated into these Addenda by reference except to the extent that they conflict with the terms and conditions of the Addenda. If there is a conflict, the terms and conditions of these Addenda will govern.

IN WITNESS TO THE FOREGOING, the parties to these Addenda sign and deliver them.

FRANCHISOR

EAGLERIDER, INC.

Date: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Title: \_\_\_\_\_

11860 S. La Cienega Boulevard  
Hawthorne, CA 90250

Sign here if Franchisee is an individual\* or a married couple.

FRANCHISEE

Date: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Franchisee Address: \_\_\_\_\_

\_\_\_\_\_

\*Multiple individuals, other than a married couple, who wish to enter into this Agreement must form a company to sign as a single franchisee in the company block below.

Sign here if Franchisee is a company:

FRANCHISEE

Company Name: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Title: \_\_\_\_\_

Franchisee Address: \_\_\_\_\_

\_\_\_\_\_

**ATTACHMENT 2  
TO FRANCHISE AGREEMENT**

**START DATE, APPROVED LOCATION AND RENTAL VEHICLE CLASSES**

**START DATE:**

**APPROVED LOCATION:**





**ATTACHMENT 3  
TO FRANCHISE AGREEMENT**

**H-D MOTORCYCLE ADDENDUM TO  
EAGLERIDER FRANCHISE AGREEMENT**

**EAGLERIDER, INC.** (“we” or “us”) and \_\_\_\_\_ (“you”) entered into a certain Franchise Agreement (“**Agreement**”) on \_\_\_\_\_, 20\_\_, and desire to supplement and amend certain terms and conditions of such Agreement by this H-D Motorcycle Addendum to Franchise Agreement (“**Addendum**”). Capitalized terms used in this Addendum which are not specifically defined shall have the meanings given in the Agreement. The parties therefore agree as follows:

1. Rights Granted. Pursuant to Section 4.1 and Attachment 2 to the Agreement, you have been approved to offer H-D Motorcycles for rent at your EAGLERIDER® Vehicle Rental Outlet. As such, we grant you and you accept from us the right to offer H-D Motorcycles for rent at your EAGLERIDER® Vehicle Rental Outlet using the Harley-Davidson® trademarks (“**H-D Marks**”) according to the terms of the Agreement as modified by this Addendum. As a result, you agree and understand that you are required to strictly comply with the provisions of this Addendum and any other requirements described in the Operations Manual related to the rental of H-D Motorcycles and other motorcycles and vehicles at your EAGLERIDER® Vehicle Rental Outlet.

2. Acquisition of H-D Motorcycles.

a. You shall obtain H-D Motorcycles for your fleet solely from us, our affiliates or a Harley-Davidson® dealer, whether through lease or purchase, for use at your Outlet. If you lease the H-D Motorcycles from us or our affiliate, you must sign the Lease Agreement, attached to the EAGLERIDER® Franchise Disclosure Document as Exhibit C. You shall not, under any circumstances, purchase or otherwise obtain used Harley-Davidson® motorcycles from any source. Additionally, you will be allowed to obtain certain non-restricted motorcycles for lease at your Outlet, but only in strict compliance with the terms of your Operations Manual and our standards and specifications.

b. Under the Motorcycle Rental, Marketing and Supply Agreement (“**Supply Agreement**”) with Harley-Davidson Motor Company, Inc. (“**H-D**”) which allows approved EAGLERIDER® franchisees to offer H-D Motorcycles for rent, your EAGLERIDER® Outlet must offer current model year Harley-Davidson® touring and cruiser motorcycles. As such, each H-D Motorcycle in your rental fleet must be returned to us or our affiliate on or before the date that is two (2) years after you acquire it. Upon your return of the H-D Motorcycle to us or our affiliate, you must acquire new H-D Motorcycles for your rental fleet by entering into a new agreement with us or our affiliate to acquire the then-current model year H-D Motorcycles. If you obtain H-D Motorcycles for your fleet from a Harley-Davidson® dealer, you must comply with similar limitations and conditions to ensure compliance with the requirements of the Supply Agreement.

c. H-D Motorcycles are to be used at your Outlet in connection with the EAGLERIDER® rental programs and for no other purpose.

3. Rental Contracts. You agree to modify your motorcycle rental contracts and insert additional provisions in such contracts as required by us so that your customers agree that H-D and its affiliates may send marketing communications to your customers about H-D Motorcycles and products and services marketed in connection with H-D Motorcycles, subject to the customers’ right to opt out. It shall be your responsibility to ensure that your rental contracts, invoices and related documents used in your Outlet comply with applicable law, rules and regulations. You further agree to provide us with rental contract data in the form and frequency as we require from time to time.

4. Discounts for H-D Personnel. You agree to provide all personnel of H-D and its affiliates a thirty percent (30%) discount from your published standard rates for H-D Motorcycles, subject to availability and certain blackout dates established by us, and further subject to the requirements in our Operations Manual.
5. Maintenance of Records. You shall keep accurate books of accounts and records covering all transactions occurring during the term of your Agreement in accordance with our standards and specifications as set forth in the Operations Manual or otherwise. Your records must conform to generally accepted accounting principles. Each book of account and record must be kept and maintained for a period of seven (7) years after the last day of the year in which the book of account or record was created. Upon reasonable advance written notice, we and H-D (or their respective auditors, accountants or representatives) shall be entitled to examine and make copies or extracts of your books of accounts and records.
6. Approved Supplier of H-D Products and Other Items. Our affiliate, BroMac, and in some cases an H-D dealer (if your Outlet is located in the H-D dealer's territory) will be the only approved supplier of: (1) H-D Motorcycles, (2) H-D branded products, and (3) motorcycle helmets, leather jackets and gloves. You are required to sell at your Outlet, H-D general merchandise, H-D genuine motor clothes and H-D licensed products. You must purchase the H-D branded products, motorcycle helmets, leather jackets and gloves and lease the H-D Motorcycles from BroMac and, as applicable, an H-D Dealer. You shall not sell any apparel that is branded with the trademark(s) or logo(s) of any entity or person that sells motorcycles, other than Harley-Davidson®, as more fully described in the Operations Manual.
7. Harley-Davidson® Parts and Accessories. Except for warranty repairs, which must be performed by an H-D Dealer as described below, you must use only genuine Harley-Davidson® parts and accessories obtained from an approved supplier when servicing, accessorizing and maintaining the H-D Motorcycles in your rental fleet. Additionally, you must only use the types of tires as specified in the Operations Manual on your H-D Motorcycles and, if pricing is available from an H-D Dealer at the same rate as is available from another party, you agree to purchase the specified tires from the H-D Dealer.
8. Repairs. All warranty repairs on H-D Motorcycles must be performed by an H-D Dealer.
9. Additional Training. You agree and understand that because you have been approved to offer H-D Motorcycles for rent at your Outlet, you must attend supplemental training at H-D headquarters.
10. Harley-Davidson® Trademark Guidelines and Requirements. Your use of the H-D Marks is subject to H-D's prior written approval to ensure that H-D's quality standards are being maintained. As such, you must strictly comply with each of the following guidelines and requirements:
  - a. Your rights to use the H-D Marks extend only to the United States unless authorized in writing to the contrary.
  - b. You shall not use any of the H-D Marks in any manner that would disparage, tarnish, or dilute the distinctive quality of any of the H-D Marks or the reputation and goodwill represented by the H-D Marks, or which would reflect adversely on any of the H-D Marks, H-D or its affiliates, or any of their products or services.
  - c. You shall not use any of the H-D Marks in any way that is not authorized and approved in advance by H-D in writing.
  - d. You shall not modify any of the H-D Marks in any form or manner without prior written approval.

e. You shall comply with H-D's trademark guidelines ("**H-D Guidelines**") when using the H-D Marks.

f. You understand and acknowledge that H-D has the right to modify the H-D Guidelines and the H-D Marks as it deems appropriate and that you may incur costs as a result of such changes. You shall begin complying with any changed standard, policy or H-D Guidelines and/or using the modified H-D Marks within the time period designated by H-D.

g. You must use "©H-D" on all materials used in any media to advertise or promote the EagleRider Rental Program, H-D or the H-D Motorcycles in connection with the EagleRider Rental Program ("**Promotional Materials**").

h. You shall not make any knowing misstatements or misrepresentations regarding H-D or the H-D Marks.

i. You shall not adopt, register or use any mark, directly or indirectly, that is confusingly similar to any of the H-D Marks during the term of the Agreement or at any time thereafter.

If you violate any of the provisions of this Section 10, such violation shall be treated as a default of the Agreement in the same manner as a default described in Section 10.2.2(e) of the Agreement.

11. Ownership of H-D Marks.

a. You agree that you shall not acquire or claim any right, title, or interest in or to any of the H-D Marks, any modifications or variations of the H-D Marks, any Promotional Materials which incorporate the foregoing, or any trade dress or other intellectual property of H-D or its affiliates as a result of your ability to use the H-D Marks.

b. You shall not file any copyright, trademark, domain name, gTLD, design patent, or other applications anywhere in the world to register, in whole or in part, any of the H-D Marks or any marks confusingly similar thereto. Any and all benefits arising from your use of the H-D Marks shall inure exclusively to the benefit of H-D U.S.A., LLC, a Wisconsin limited liability company ("**HDUSA**"). You shall not, during the term of your Agreement or anytime thereafter, attack, dispute, or otherwise challenge HDUSA's ownership or the validity of any of the H-D Marks or the validity of the Supply Agreement in any jurisdiction in the United States or in any other country in the world, whether or not the H-D Marks are registered in any such country or jurisdiction.

12. Assistance Prosecuting Infringements. You shall cooperate with all efforts by H-D and/or HDUSA to prevent or stop the infringement or other unauthorized use or registration of the H-D Marks or confusingly similar marks, and to otherwise protect and defend the H-D Marks and HDUSA's rights therein.

13. Advertising and Marketing. H-D has the right to review and approve any samples of advertising and promotional materials that have not been prepared or previously approved by us which include the H-D Marks.

14. Post-Termination Obligations. In addition to the obligations set forth in the Agreement, upon the expiration or earlier termination of your Agreement or this Addendum, you agree that:

a. You shall cease using any Promotional Materials that bear the H-D Marks as directed by us (you understand and acknowledge that the timing of this requirement will vary and, under certain circumstances, may be immediate).

b. You shall immediately and permanently delete all electronic versions, regardless of file format, of all materials which bear the H-D Marks from all computers, servers, and memory devices, including any materials stored with “cloud” services (except documents retained in connection with any document retention policy or electronic archive).

15. Effectiveness of Addendum. The terms and conditions of this Addendum are in addition to or in explanation of the existing terms and conditions of the Agreement and shall prevail over and supersede any inconsistent terms and conditions of the Agreement.

**\*\*THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK\*\***

Fully executed this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

FRANCHISOR

EAGLERIDER, INC.

Date: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Title: \_\_\_\_\_

11860 S. La Cienega Boulevard  
Hawthorne, CA 90250

Sign here if Franchisee is an individual\* or a married couple.

FRANCHISEE

Date: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

\*Multiple individuals, other than a married couple, who wish to enter into this Addendum must form a company to sign as a single franchisee in the company block below.

Sign here if Franchisee is a company:

FRANCHISEE

Company Name: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Title: \_\_\_\_\_

Franchisee Address: \_\_\_\_\_

\_\_\_\_\_

**ATTACHMENT 4  
TO FRANCHISE AGREEMENT**

**AUTHORIZATION AGREEMENT FOR PRE-ARRANGED PAYMENT**

The undersigned depositor (“**Franchisee**”) agrees to pre-arranged payment from Franchisee’s account designated below to the designated account(s) of EagleRider, Inc. (“**EagleRider**”) for payment of royalties, technical support fees, and other obligations owed to EagleRider related to Franchisee’s EAGLERIDER® franchise.

Franchisee authorizes and requests the financial institution (the “**Bank**”) to accept the payment entries presented to the Bank by EagleRider, and to deduct them from the Franchisee’s account without responsibility for the correctness of these payments.

Franchisee’s Name: \_\_\_\_\_

Franchisee’s Address: \_\_\_\_\_

Contact Name: \_\_\_\_\_

Franchisee’s Bank Account Information: \_\_\_\_\_

Bank Name: \_\_\_\_\_

Bank Address: \_\_\_\_\_

Attach a voided check to this form and provide the following information:  
Transit Routing Number: \_\_\_\_\_ Checking Account Number: \_\_\_\_\_

Franchisee agrees: (1) that this authorization will remain in effect for its EAGLERIDER® franchise throughout the duration of the Franchise Agreement for that franchise, unless EagleRider agrees to an earlier termination of the authorization; (2) not to revoke any authorization for pre-arranged payment prior to the termination of the applicable Franchise Agreement, without prior written consent of EagleRider; (3) that the Bank cannot cancel this authorization without receiving written consent from EagleRider; and (4) that termination of this authorization does not relieve Franchisee of its obligation to make payments to EagleRider.

If Franchisee is an entity:

If Franchisee is one or more individuals:

\_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Signature  
\_\_\_\_\_  
Signature

**ATTACHMENT 5  
TO FRANCHISE AGREEMENT**

**ASSIGNMENT OF TELEPHONE NUMBERS, EMAIL ADDRESSES AND URLS AND SPECIAL  
POWER OF ATTORNEY**

This Assignment of Telephone Numbers, Email Addresses and URLs and Special Power of Attorney (this “**Assignment**”) is entered into on \_\_\_\_\_, 20\_\_ between EagleRider, Inc., (“**EagleRider**”), and \_\_\_\_\_ (“**Franchisee**”).

1. Franchisee, as part of its inducement to EagleRider to grant Franchisee an EAGLERIDER® franchise, assigns to EagleRider all telephone numbers, email addresses, URLs and other public listings used by Franchisee to advertise, publicize or otherwise make known to clients or the public the services offered through its EAGLERIDER® Outlet, both now and in the future.

2. This assignment will automatically become effective immediately upon expiration or termination of Franchisee’s EAGLERIDER® franchise. At such time, Franchisee shall take all actions necessary to cause all telephone, email, website and other advertising or communications service providers used by the Franchisee in the operation of the EAGLERIDER® Outlet to promptly transfer its telephone numbers, email addresses, URLs and other public listings to EagleRider or its designee.

3. Franchisee agrees to pay all such service providers, on or before the date of expiration or termination of the franchise, all amounts Franchisee owes in connection with the telephone numbers, email addresses, URLs or other public listings, including payment for any advertisements or listings in classified or web directories.

4. Franchisee appoints EagleRider as Franchisee’s attorney-in-fact to execute any documents and take any actions necessary to carry out the terms of this Assignment, should Franchisee fail to do so within three (3) business days after expiration or termination of the Franchise Agreement. Franchisee further agrees to indemnify EagleRider for any expenses, including attorneys’ and other legal fees and costs, that EagleRider incurs to enforce the terms of this Assignment or otherwise carry out its role as Franchisee’s attorney-in-fact hereunder.

\*\*THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK\*\*

IN WITNESS TO THE FOREGOING, the parties to this Assignment sign and deliver it.

Sign here if Franchisee is an individual\* or a married couple.

FRANCHISEE

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Franchisee Address: \_\_\_\_\_  
\_\_\_\_\_

\*Multiple individuals, other than a married couple, who wish to enter into this Agreement must form a company to sign as a single franchisee in the company block below.

Sign here if Franchisee is a company:

FRANCHISEE

Company Name: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Print Title: \_\_\_\_\_  
Franchisee Address: \_\_\_\_\_  
\_\_\_\_\_





**ATTACHMENT 7  
TO FRANCHISE AGREEMENT**

**PERSONAL GUARANTY AND SUBORDINATION AGREEMENT**

The undersigned, to induce EagleRider, Inc. (“**EagleRider**”) to enter into or permit assignment of that certain EAGLERIDER® franchise agreement dated \_\_\_\_\_, 20\_\_ (“**Franchise Agreement**”) with \_\_\_\_\_ (“**Franchisee**”), unconditionally, jointly and severally, personally guaranties to EagleRider, its successors, or its assignees by executing this Personal Guaranty and Subordination Agreement (“**Personal Guaranty**”), the prompt full payment and performance of all obligations of Franchisee that are or may become due and owing to EagleRider, including, but not limited to, all obligations arising out of the Franchise Agreement or any other agreement between the parties, and all extensions or renewals thereof, in the same manner as if the Franchise Agreement was signed between EagleRider and the undersigned directly, as franchisee. The undersigned further agree to be personally bound by, and personally liable for the breach of, each and every provision of the Franchise Agreement.

The undersigned expressly waives: (a) acceptance and notice of acceptance by EagleRider and its affiliates of the foregoing undertakings, (b) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed, (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, (d) any right he or she may have to require that any action be brought against the Franchisee or any other person as a condition of liability, (e) the incurring by Franchisee of any additional future obligations and liability to EagleRider, and (f) any and all other notices and legal or equitable defenses to which he or she may be entitled. This Personal Guaranty will not be affected by the modification, extension, or renewal of any agreement between EagleRider and Franchisee, the taking of a note or other obligation from Franchisee or others, the taking of security for payment, the granting of an extension of time for payment, the filing by or against Franchisee of bankruptcy, insolvency, reorganization or other debtor relief afforded Franchisee under the United States Bankruptcy Code or any other state or federal statute or by the decision of any court, or any other matter, whether similar or dissimilar to any of the foregoing. This Personal Guaranty will cover the terms and obligations of any modifications, notes, security agreements, extension or renewals. The obligations of the undersigned will be unconditional in spite of any defect in the validity of the Franchisee’s obligations or liability to EagleRider, or any other circumstances whether or not referred to in this Personal Guaranty that might otherwise constitute a legal or equitable discharge of a surety or guarantor.

This is an irrevocable, unconditional and absolute guaranty of payment and performance, and the undersigned agrees that his, her, or their liability under this guaranty will be immediate and will not be contingent upon the exercise or enforcement by EagleRider of whatever remedies it may have against the Franchisee or others, or the enforcement of any lien or realization upon any security EagleRider may at any time possess. The undersigned consents and agrees that: (a) he or she shall render any payment or performance required under the Franchise Agreement upon demand if the Franchisee fails or refuses punctually to do so, (b) this liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which the EagleRider or its affiliates may from time to time grant to the Franchisee or to any other person; including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Personal Guaranty, which shall be continuing and irrevocable during the term of the Franchise Agreement, including renewals thereof, and (c) his or her obligation and liability hereunder shall not be affected by any amendment or modification of the Franchise Agreement and he or she has no right to approve or consent to any such amendment or modification.

The undersigned agrees that any current or future indebtedness by Franchisee to the undersigned will always be subordinate to any indebtedness owed by Franchisee to EagleRider. The undersigned will

(REG 5/28/2024)

promptly modify any financing statements on file with state agencies to specify that EagleRider’s rights are senior to those of the undersigned.

The undersigned further agrees that as long as Franchisee owes any money to EagleRider (other than royalty and other payments that are not past due), Franchisee may not pay and the undersigned may not accept payment of any part of any indebtedness owed by Franchisee to the undersigned, either directly or indirectly, without the consent of EagleRider.

IN CONNECTION WITH ANY LITIGATION OR ARBITRATION TO DETERMINE THE UNDERSIGNED’S LIABILITY UNDER THIS PERSONAL GUARANTY, THE UNDERSIGNED EXPRESSLY WAIVES HIS, HER, OR THEIR RIGHT TO TRIAL BY JURY AND AGREES TO PAY COSTS AND REASONABLE ATTORNEYS’ FEES AS FIXED BY THE COURT OR ARBITRATOR.

If this Personal Guaranty is signed by more than one individual, each person signing this Personal Guaranty will be jointly and severally liable for the obligations created in it.

This Personal Guaranty will remain in full force and effect until all obligations arising out of and under the Franchise Agreement and all other agreements between EagleRider and the Franchisee, including all renewals and extensions thereof, are fully paid and satisfied.

Dated: \_\_\_\_\_

IN WITNESS TO THE FOREGOING, the undersigned have signed this Personal Guaranty.

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

**EXHIBIT C**  
**(TO FRANCHISE DISCLOSURE DOCUMENT)**  
**MOTORCYCLE LEASE AND LEASE GUARANTY**

**SUBJECT TO REVISION AS PER THE TERMS OF SECTION 25 OF THE ATTACHED  
TERMS AND CONDITIONS**

EagleRider Finance, LLC  
11860 S. La Cienega Blvd.  
Hawthorne, CA 90250

**Document Number:** \_\_\_\_\_  
**Business Phone:** \_\_\_\_\_  
**Tax ID#:** \_\_\_\_\_

**Legal Entity Name (“Lessee”):** \_\_\_\_\_

**Vehicle Location and Garaging Location Addresses**  
*(If different than billing address):* \_\_\_\_\_  
\_\_\_\_\_

**Business Address:** \_\_\_\_\_  
\_\_\_\_\_

**Terms and Conditions:**

AGGREGATE COST OF VEHICLES LEASED	AGGREGATE MONTHLY RENT (Determined by attached monthly minimum or mileage grid)	
DOCUMENTATION FEE (\$200 Per Motorcycle)	TERM OF LEASE (May not exceed 20 months and Vehicles may not be returned until release of Vehicle’s next model year)	DE-FLEET FEE
\$200	MONTH TO MONTH	\$375.00
APPROVED MILEAGE	EXCESS MILEAGE CHARGE	SECURITY DEPOSIT
18,000 (20 months maximum per Vehicle)	\$0.29 - \$1.00	SEE SCHEDULE 1

The undersigned agrees that this Lease Agreement, including the Terms and Conditions beginning on the pages attached hereto reflects the agreement of the parties. The term “**Vehicles**” shall mean the Vehicles listed on Schedule 1 attached hereto. The term “**Lease**” shall mean this Lease Agreement and the Terms and Conditions set forth below on the pages attached hereto. The term “**Lease Documents**” shall mean this Lease and all schedules, exhibits, addendum, guarantees, agreements, documents and other instruments attached to the Lease and/or referenced in this Lease. For purposes of this Lease, except as specifically provided otherwise, (a) “**you**”, and “**your**” shall mean the Lessee indicated above, (b) “**we**”, “**us**”, and “**our**” refer to the Lessor, EagleRider Finance, LLC and each of their agents, employees and its successors and assigns. In addition to the requirements under the Lease Documents, Lessee shall also strictly comply with the terms and conditions relating to the Vehicles under its Franchise Agreement with Lessor’s affiliate, EagleRider, Inc. THIS IS A NON-CANCELABLE LEASE FOR THE TERM INDICATED.

Lessee: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

ACKNOWLEDGED BY: EAGLERIDER FINANCE, LLC

By: \_\_\_\_\_

Date: \_\_\_\_\_

**LEASE  
TERMS AND CONDITIONS**

1. **LEASE:** You agree to lease from us and we agree to lease to you, the Vehicles listed on Schedule 1. You unconditionally promise to pay us the sum of all the rental payments and all other payments, fees, charges or assessments payable by you under the terms and conditions of the Lease Documents. You authorize us to insert in this Lease and/or any other applicable Lease Documents any serial numbers and other identification data about the Vehicles, as well as any other omitted factual matters. All rental payments and other payments of any kind (including, but not limited to, any taxes, fees, charges or other assessments) due under any of the Lease Documents or any other agreement with us (individually, an “**Obligation**” and collectively, the “**Obligations**”) are payable in U.S. dollars.

2. **TERM OF LEASE:** Concurrent with your execution and delivery to us of this Lease, you shall deliver to us the Documentation Fee specified on the cover page hereto, which fee shall reimburse us for our costs in reviewing your application (including, but not limited to any credit application) and preparing the documentation associated with the leasing of the Vehicles (including, but not limited to, this Lease) and shall be deemed fully earned as our receipt of said Documentation Fee. Notwithstanding the foregoing, this Lease shall only become effective upon acceptance by us as evidenced by our signing and dating this Lease. **In addition to regular monthly rental payments, you shall pay to us interim rent for the use of the Vehicles prior to the due date of the first full monthly rental payment. Interim rent shall be in an amount of 1/30<sup>th</sup> of the monthly rental, multiplied by the number of days elapsing between the date on which the Vehicles are accepted by you and the first day of the next succeeding month (the “Commencement Date”). The payment of interim rent shall be due and payable upon your receipt of an invoice from us.** The initial term of this Lease shall begin on the first day of the month following the Commencement Date and terminate upon the expiration of the number of months stated under Term of Lease described above. Following the Commencement Date, monthly rent and all other periodic payments due hereunder shall be due and payable on the first of each month, payable to a location to be designated in writing. **YOUR OBLIGATION TO PAY THE OBLIGATIONS TO US IS UNCONDITIONAL AND NOT SUBJECT TO ANY REDUCTION, SET-OFF, DEFENSE, OR COUNTERCLAIM AND MAY NOT BE CANCELLED FOR ANY REASON WHATSOEVER.** In the event this Lease is not fully completed for any reason beyond our control, all deposits made by you will be retained by us as compensation for documentation, processing and other expenses. We have the right, but not the obligation, to electronically withdraw funds from your bank account to pay for any unpaid Obligations. In addition to the foregoing, upon the occurrence of an Event of Default (as described in Paragraph 13 below), you hereby authorize and direct J.C. Bromac Corporation (“**JCB**”) to transfer to us, without further authorization or direction from you, any funds (up to the amount of any unpaid Obligations then due and owing hereunder) on deposit with JCB in connection with any bookings made through JCB, whether for the Vehicles or for any other vehicles.

3. **NO WARRANTIES; NO AGENCY: WE ARE LEASING THE VEHICLES TO YOU IN AS-IS CONDITION AND WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE OR ORDINARY USE.** You understand and agree that we are independent from the vendor, manufacturer and/or supplier (collectively “**Supplier(s)**”) of the Vehicles and that neither the Supplier(s) nor any other person is our agent, nor are they authorized to waive or change any term or condition of this Lease. You agree that no representation, guaranty or warranty by the Supplier(s) or another person is binding on us. We transfer to you all warranties made to us, as the owner of the Vehicles, by the Supplier(s). You agree that any breach by the Supplier(s) will not relieve or excuse any of your Obligations to us under the terms of this Lease and/or any other Lease Documents. Without limitation to the foregoing and regardless of the cause or basis for any damage suffered or insured by you, you will not assert and hereby waive any claim whatsoever against us for any direct, consequential, special or indirect damages. If you have entered into a maintenance agreement for the Vehicles and the cost of the maintenance agreement is included in the monthly rent described above, you acknowledge that we are not responsible for any service, repairs, or maintenance of the Vehicles, and that we are not a party to the maintenance agreement. If you have a dispute regarding maintenance or service, then you will nevertheless continue to pay all Obligations as they become due.

4. **UCC-ARTICLE 2A (whenever the term Article 2A is used herein, it is understood to include equivalent provisions of California Commercial Code Division 10 when California law is applicable):** You agree that this Lease is a “**Finance Lease**” under Article 2A of the Uniform Commercial Code as adopted by the State of California. You acknowledge that (a) we did not select, manufacture or supply the Vehicles, but at your request we have purchased the

Vehicles for lease to you and (b) based solely on your own judgment, you have selected the Supplier and the Vehicles that you are leasing from us.

You agree that you have approved any purchase or supply contract with the Supplier before signing this Lease. You acknowledge that we have informed you in writing that you have rights under the supply or purchase contract, you are entitled to the promises and warranties provided by the Supplier under such purchase contract, and you may contact the Supplier for a description of those rights or any warranties. To the extent permitted by applicable law, **YOU WAIVE ANY AND ALL RIGHTS AND REMEDIES CONFERRED UPON YOU UNDER UCC § 2A-393 AND 2A-508 THROUGH 2A-522, INCLUDING WITHOUT LIMITATION, THE RIGHT TO REPUDIATE THE LEASE AND REJECT THE VEHICLES; REVOKE ACCEPTANCE OF THE LEASE; OR RECOVER DAMAGES FROM US FOR ANY BREACH OF WARRANTY.**

**5. DELIVERY OF VEHICLES:** You acknowledge and agree that you have requested that we arrange delivery of the Vehicles to you at your expense. We may at our discretion confirm by telephone that you have accepted the Vehicles and this telephone verification of your acceptance of the Vehicles shall have the same effect as a signed Vehicles Acceptance.

**6. ASSIGNMENT:** You may not sell, transfer, assign or sublease the Vehicles or any interest in this Lease and/or other Lease Documents without our prior written approval, which approval we may withhold at our sole discretion. We may sell, assign or transfer this Lease and/or any other Lease Documents without notifying you; and you agree that if we do, the new lessor will have the same rights and benefits that we now have, and will not have to perform any of our obligations. You agree that the rights of the new lessor will not be subject to any claims, defenses or setoffs that you may have against us.

**7. OWNERSHIP, RIGHTS AND QUIET ENJOYMENT:** You agree that we are the owner of and have sole title to the Vehicles. You agree, at your expense, to do all things and take all steps necessary so as to protect and defend our title and other rights to the Vehicles. You shall have the right to quiet use and enjoyment of the Vehicles for the term of this Lease, provided you are not in default. We also have the right, at reasonable times, to inspect the Vehicles at your expense.

**8. MAINTENANCE, SERVICES, FEES AND TAXES:** At your expense, you agree to keep each Vehicle properly titled and registered and equipped with one set of license plates. **You agree to reimburse us, on demand, for any fees and expenses we incur in licensing, inspecting, or registering a Vehicle, or in obtaining any necessary certificates for a Vehicle.** You agree to pay, or reimburse us for, as we direct, all documentation fees, filing fees, vehicle inspection fees, taxes, including sales, use, monthly rental, leasing, ad valorem, excise, local or personal property taxes (except federal or state income taxes) arising out of, and imposed upon, this Lease, and/or use or operation of a Vehicle. At your expense, you shall maintain each Vehicle in good condition and in compliance with all maintenance procedures required and recommended by the manufacturer thereof you agree to respond to, and comply with, any recall procedures prescribed by a Vehicle's manufacturer. Any replacement made by you upon a Vehicle in connection with repairing it shall be considered an accession thereto, and title to such replacement part shall, upon installation or affixation thereof, automatically vest in us. At your expense, you shall perform and pay for all preventative maintenance and repairs necessary to maintain the Vehicles in good maintenance condition and repair, and you shall comply with all conditions required to insure full validation of the manufacturer's warranty. For any of your Vehicles that are Harley-Davidson® motorcycles, you agree and shall ensure that: (a) all maintenance and repair services for your Harley-Davidson® motorcycles will be performed by a certified Harley-Davidson® technician; (b) only genuine Harley-Davidson® parts and accessories will be used on the Harley-Davidson® motorcycles, (c) all warranty repairs on Harley-Davidson® motorcycles will be performed by a Harley-Davidson® dealer, and (d) only approved tires (as specified in the EagleRider® Operations Manual or otherwise by us or our affiliates) will be used on your Harley-Davidson® motorcycles and, if pricing is available from a Harley-Davidson® dealer at the same rate as available from another party, you will purchase the specified tires from the Harley-Davidson® dealer. Any equipment you install on a Vehicle shall be at your expense, and if it is removed at or prior to the time the Vehicle is returned to us, then you shall pay to us an amount equal to the costs we incur in order to restore the Vehicle to its original condition. You shall make no repair, alteration or attachment to a Vehicle that interferes with its normal and satisfactory operation or maintenance, that creates a safety hazard, that lessens its value or that might result in the creation

of a materialman's or artisan's lien.

**9. USE OF VEHICLE: YOU REPRESENT TO US THAT EACH VEHICLE WILL BE USED EXCLUSIVELY IN THE CONTINENTAL UNITED STATES AND SOLELY IN YOUR RENTAL BUSINESS OPERATING UNDER THE "EAGLERIDER®" NAME.** When not rented to a customer each Vehicle shall be located at the Garaging Location specified in the applicable Lease Documents. You shall permit only licensed operators, whom you duly authorize, to operate a Vehicle. You will endeavor to ensure that a Vehicle will be used and operated with reasonable care and diligence. No driver of a Vehicle shall have any authority to act for us or on our behalf, or be deemed to be, our agent, servant, or employee.

You will use reasonable efforts to ensure that no Vehicle will be used in violation of any law or ordinance, or contrary to the provisions of any applicable insurance policy. You agree to indemnify and hold us harmless from any and all fines, forfeitures, seizures, claims, damages, traffic and/or parking tickets or citations, or penalties that may result from the violation of any law or ordinance, or contrary to any applicable insurance policy, even though you may have endeavored in good faith to ensure that no Vehicle was used in violation of the same. You agree to pay us a reasonable service charge for the expenses we incur in administering any legal process, and in processing those notices sent to you by us with respect to fines, citations or penalties to be paid by you under this Lease.

**10. INDEMNITY:** We are not responsible for any injuries or losses to you or any other person or property caused by the installation, operation, maintenance or use of the Vehicles. **TO THE FULLEST EXTENT PERMITTED BY LAW, YOU AGREE TO INDEMNIFY, SAVE HARMLESS AND DEFEND US AND ANY PARENT, SUBSIDIARY OR AFFILIATE OF OURS (INCLUDING, BUT NOT LIMITED TO, J.C. BROMAC CORPORATION, EAGLERIDER, INC., AND EAGLE TRAVEL SYSTEMS, INC.) AGAINST ANY AND ALL LIABILITY, LOSSES, DAMAGES, SETTLEMENTS, EXPENSES, REASONABLE ATTORNEY FEES, CLAIMS OR CAUSE FOR ACTION FOR LOSS, DAMAGE OR INJURY, INCLUDING UNDER THE THEORY OF EITHER STRICT OR VICARIOUS LIABILITY, AND FROM AND AGAINST ANY SUITS, ACTIONS OR PROCEEDINGS OF ANY KIND, BROUGHT AGAINST US FOR OR ON ACCOUNT OF ANY PERSON(S), OR ENTITY, OR ON ACCOUNT OF ANY INJURIES RECEIVED OR SUSTAINED BY ANY PERSON(S) OR ENTITY IN ANY MANNER, DIRECTLY OR INDIRECTLY, CAUSED BY, INCIDENT TO, OR GROWING OUT OF, WHOLLY OR IN PART, THE USE, OPERATION OR MAINTENANCE OF A VEHICLE, BETWEEN THE TIME OF DELIVERY THEREOF TO YOU AND THE TIME OF SURRENDER THEREOF BY YOU TO US FOR DISPOSITION.** This indemnity shall continue even after the term of this Lease has expired. You further agree to settle all such claims, defend any suit proceedings, and all costs, attorneys' fees or other expenses. In any instance where said claims affect our interests under this Lease, you shall not consummate any settlement without our prior written consent.

**11. INSURANCE:** For any Vehicle registered or used and subject to the laws of the State of Florida, you shall provide and maintain a primary basis as to us during the lease term standard comprehensive liability insurance acceptable to us which contains per occurrence limits of not less than \$100,000/\$300,000 for bodily injury liability and \$50,000 for property damage liability, or of not less than \$500,000 for combined single limits for property damage and bodily injury liability. Furthermore, for any such Vehicle you shall provide and maintain on a primary basis as to us during the lease term such excess liability insurance coverage covering bodily injury and property damage liability with policy limits and provisions conforming to such requirements as we may from time to time prescribe. Such excess coverage shall be at least \$500,000 combined single limits for bodily injury and property damage liability, per occurrence.

For any Vehicle, which is not registered or used and subject to the laws of the State of Florida, you shall provide and maintain during the lease term standard per occurrence comprehensive liability insurance, which coverage shall be primary as to us, protecting us against any and all liability, with combined single limit coverage for bodily injury and property damage liability of at least \$500,000 per occurrence. Furthermore, for any Vehicle which is not registered or used and subject to the laws of the State of Florida, you shall provide and maintain on a primary basis as to us during the lease term such excess liability insurance coverage covering bodily injury and property damage liability with policy limits and provisions conforming to such requirements as we may from time to time reasonably designate.



During the lease term, you shall also keep each of the Vehicles insured at all times against all risk of loss of damage in an amount not less than the Replacement Value of such Vehicles (as described and defined below), in amounts and with deductibles satisfactory to us, covering loss from fire, theft, windstorm and other comprehensive hazards, as well as loss from theft and collision.

**YOU MUST PROVIDE US WITH EVIDENCE OF ALL REQUIRED INSURANCE PRIOR TO THE DELIVERY OF ANY VEHICLE TO YOU.** Insurance shall be with insurers and on forms acceptable to us, shall name us as an additional insured, waive subrogation and shall list us as the sole lender loss payee, as applicable. You will give us periodically a certificate of current coverage. Among other things, the insurance policy shall provide that any notice of cancellation, expiration, non-renewal or material change in the coverages shall be given to us in writing at least 30 days in advance of any such cancellation, expiration, non-renewal or change. Policies covering fire, theft and collision insurance shall bear an endorsement to the effect that the proceeds thereof shall be payable to the parties hereto as their interests may appear. Upon the occurrence of an Event of Default (as defined herein), you hereby appoint us and our agents as your attorney-in-fact to receive payment of and endorse all checks and other documents, and to take any other actions necessary to pursue insurance claims and recover payments if you fail to do so. The proceeds of your insurance we receive will, at our option, be applied to the repair of any damaged Vehicle, as well as the payment of all other Obligations you may have to us. Any excess proceeds will be returned to you.

You and your agents and employees shall cooperate fully with us, and any insurer providing insurance described herein, in the reporting, investigation, prosecution or defense of any and all accidents, claims and suits arising out of or in connection with the use or operation of a Vehicle. You are responsible for the costs of all repairs to a Vehicle resulting from collision or comprehensive type losses that are not covered by insurance.

Without limitation to the foregoing, you will pay all premiums for such insurance. If you do not provide such insurance, we, at our sole option and discretion, may enroll you in our insurance coverage program and bill you an insurance surcharge as a result of any increased fees or commissions we may incur as well as any increased administrative costs and credit risk we may incur. **NOTHING IN THIS PARAGRAPH WILL RELIEVE YOU OF YOUR RESPONSIBILITY FOR LIABILITY COVERAGE ON THE VEHICLES.**

**12. RISK OF LOSS:** You assume the risk of loss or damage to the Vehicles, and, except as specifically provided otherwise in this paragraph, no such event will affect your or our duties under this Lease. If a Vehicle is lost, stolen, damaged, confiscated, requisitioned, destroyed or otherwise rendered incapable of being in service, you will notify us within two (2) business days. If the Vehicle has been damaged and we determine the Vehicle is repairable and your insurer does not declare the Vehicle a total loss, you will cause the repairs to be made, and upon receipt of proof of the making of the repairs we will reimburse your repair costs up to the amount of any related insurance proceeds we received under your insurance. If we determine the Vehicle is not reasonably repairable, your insurer deems the Vehicle a total loss or a Vehicle is lost, stolen, destroyed, abandoned or confiscated by any governmental authority or for any reason not returned to us upon termination of this Lease or our attempted repossession of the Vehicle upon the occurrence of an Event of Default, you shall pay to us the sum of (a) all past due Obligations, (b) the remaining balance of all monthly rent due under this Lease, discounted to present value using a per annum interest rate of three percent (3%), (c) an amount equal to (1) the original purchase price for the Vehicle less (2) an amount equal to one percent (1%) of said purchase price multiplied by nine (9) (the “**Depreciated Value**”) minus (d) the sum of (1) any insurance proceeds paid to us by your insurer in connection with any such loss, theft or destruction, plus (2) in the event the Vehicle is returned to us but is not repairable, an amount equal to the average wholesale value of the Vehicle. Upon such payment the Lease shall terminate as to such Vehicle and you or your insurer will be entitled to retain such Vehicle in its AS-IS, WHERE-IS condition.

**13. DEFAULT AND REMEDIES:** If (A) you do not pay any Obligation when due; (B) you break any of your promises, representations or covenants under this Lease; (C) you miss two consecutive payments; (D) any guarantor enters (voluntarily or involuntarily) into a bankruptcy proceeding; (E) you are a corporation, limited liability company or other legal entity and more than 20% of the issued and outstanding voting interests (stock, \_\_\_\_\_ship interests or otherwise) are transferred to or acquired by any person or entity that is not an owner as of the date of this Lease; (F) you change your name, state of incorporation or organization, chief executive office and/or place of residence without providing us with 30 days

prior written notice of such change; (G) you have made any misleading or false statement, or representation in connection with application for or performance of this Lease; (H) you make a written admission that you cannot pay your debts; (I) you make an assignment for the benefit of creditors; (J) you attempt to sell or encumbrance any Vehicle; (K) you are in default under the terms of any Material Agreement (as defined below) or a Material Agreement has been terminated in accordance with its terms; (L) you do not have the vehicle serviced by Harley-Davidson® certified technicians, you will be in default under the Lease Documents (an “**Event of Default**”). For purposes of this Agreement, a Material Agreement shall mean any agreement the existence or continued effectiveness of which is material to the continued operation of your business, which Material Agreements shall be deemed to include, but not be limited to, your Franchise Agreement with our affiliate, EagleRider, Inc. and any other agreements related to your continued right to rent the Vehicles under the “EagleRider®” name. Upon the occurrence of an Event of Default, at our option, we may cancel or terminate this Lease. Upon any such termination you agree that we may retain any and all prior payments paid by you **AND, IN ADDITION THERETO**, can require that (1) you return the Vehicles to us in the manner and in the condition described in Paragraph 14 of this Lease, and pay to us the remaining balance of all of the monthly rent due under this Lease, discounted to present value at three percent (3%), together with any other amounts due under this Lease; and (2) in the event for any reason you do not promptly return the Vehicle to us upon our request you shall also pay us an amount equal to the Depreciated Value of the Vehicle. Interest shall accrue on all Obligations due us from the date of default until paid at the rate of the lesser of eighteen percent (18%) per annum, or the maximum rate permitted by law. We shall also be entitled to recover from you all direct, consequential, special or indirect damages caused by said Event of Default. We can also use any of the remedies available to us under the UCC or any other law, including repossession of the Vehicles or other Collateral. You agree to reimburse us for all charges, costs, expenses and attorney’s fees that we have to pay to enforce this Lease or collect the Obligations under this Lease and in any lawsuit or other legal proceeding which we bring or defend. You also agree that in the event of a dispute related to or arising out of this Lease, in such dispute we shall be entitled to recover our reasonable attorney’s fees and costs. If we have to take possession of a Vehicle, you agree to pay the cost of repossession, storing, shipping, repairing and selling such Vehicle. You agree that we are entitled to abandon the Vehicles if we reasonably believe it to be in our best interests. Without limitation to anything herein to the contrary, you acknowledge and agree that upon the occurrence of an Event of Default, this Agreement shall constitute your written authorization and direction to JCB that JCB is to withhold from you and transfer to us any and all funds due you from JCB up to the amount of all Obligations then due and owing to us hereunder.

**ADDITIONALLY, IF YOU DO NOT USE GENUINE HARLEY-DAVIDSON® PARTS AND ACCESSORIES IN CONNECTION WITH THE VEHICLES, THEN WE MAY (AT OUR SOLE OPTION AND IN OUR SOLE DISCRETION) REQUIRE YOU TO PURCHASE ANY SUCH VEHICLE FROM US AT THE FULL MSRP OF ANY SUCH VEHICLE. YOU AGREE THAT THIS IS A REASONABLE AND FAIR REMEDY FOR YOUR FAILURE TO USE GENUINE HARLEY-DAVIDSON® PARTS AND ACCESSORIES IN CONNECTION WITH THE VEHICLES.**

**14. RETURN OF VEHICLE:** You agree that if for any reason you are required to return a Vehicle to us under the terms of this Lease (whether upon lease termination, your default, or otherwise) or you elect to return a Vehicle to us in accordance with the terms of Paragraph 16 below, you shall return the Vehicle, at your expense, to a location we specify, in good and full working order and in the same condition as the condition of the Vehicle originally delivered to you and/or fully repaired by You, ordinary wear and tear expected. You agree to (a) reimburse us for any damage or diminution in value to such Vehicle caused by or resulting from the failure by you to repair and maintain the Vehicle in accordance with the terms and conditions of this Lease, (b) pay to us, upon return of said Vehicle, an amount equal to \$0.29 per Excess Mile on a Vehicle and (c) pay us the De-fleet Fee. For purposes of this Lease, a Vehicle shall be deemed to have Excess Miles to the extent that upon return of such Vehicle to us, the Vehicle’s total mileage exceeds an amount equal to: 900 miles multiplied by the number of months in the Term of the Lease.

**15. LESSEE REPRESENTATIONS AND WARRANTIES:** You hereby represent and warrant that at the time you sign this Lease you are and shall remain a business entity duly organized, validly existing, and in good standing under the laws of the state of organization, that your exact legal name, state of organization, location of your chief executive office and/or your place of residence as applicable, have been correctly identified to us. You further represent and warrant that at the time you sign this Lease the person executing this Lease or any related document on behalf of you or any related guarantor shall be authorized to take such action and bind you and the guarantor to the Lease, and that the execution, delivery and

performance of this Lease is duly authorized by your organizational documents and, if necessary, resolutions of your directors and/or shareholders, partners, or managers and/or \_\_\_\_\_s.

**16. LESSEE TERMINATION; RETURN OF VEHICLES:** In the event that there are no outstanding Obligations then due and owing under the terms of this Lease, no Event of Default exists and you are otherwise in full compliance with the terms of this Lease, upon forty-five (45) day written notice delivered to us, you may elect at any time to return a Vehicle to us. Upon any such termination you agree that we may retain any and all prior payments paid by you, and that (a) you will return the Vehicle to us in the manner and in the condition and pay us any fees or charges as described in Paragraph 14 above and (b) pay to us fifty percent (50%) of the remaining balance of all monthly rent due for such Vehicle under this Lease. Notwithstanding any statement herein to the contrary, your ability to return a Vehicle under this Lease or otherwise shall not be interpreted as a modification or amendment of any of your obligations under the Franchise Agreement between you and our affiliate, EagleRider, Inc., and you shall remain obligated to comply with the terms and conditions of your Franchise Agreement relating to the operation of your EagleRider® vehicle rental outlet.

**17. LEASE TERMINATION; RETURN OF VEHICLES; RENEWAL:**

a. If no Event of Default exists or has occurred under this Lease, and so long as (A) the mileage of each applicable Vehicle does not exceed 18,000 miles, and/or (B) each applicable Vehicle has been in service for less than 20 months, you will return the vehicle to us in accordance with the terms of Paragraph 14.

b. Harley-Davidson® Motorcycles. For any Vehicles you are renting pursuant to this Lease that are Harley-Davidson® motorcycles, the following shall apply at the end of the term of your Lease. Under the agreement with Harley-Davidson Motor Company, Inc. which allows approved EagleRider® franchisees to offer Harley-Davidson® motorcycles for rent, your EagleRider® rental vehicle outlet must only offer current model year Harley-Davidson® touring and cruiser motorcycles. As such, each Harley-Davidson® motorcycle that you lease hereunder for your rental fleet must be returned to us on or before the date that is 20 months after you acquire it. In limited circumstances, the term of your Lease may be extended by us on a month-to-month basis, in our sole discretion, if current model year Harley-Davidson® motorcycles are not yet available from the supplier. Upon your return of the Harley-Davidson® motorcycles to us, you must acquire new Harley-Davidson® motorcycles for your rental fleet from us by entering into a new lease agreement to acquire the then-current model year Harley-Davidson® motorcycles.

**18. LATE CHARGE; FEES:** If any part of any Obligation is not satisfied or paid by you within ten (10) days of its due date, you agree to pay us an administrative fee of \$35.00 per vehicle leased, plus interest at the rate of the lesser of eighteen percent (18%) per annum, or the maximum rate permitted by law.

**19. ENTIRE AGREEMENT; CHANGES:** The Lease and the other Lease Documents contain the entire agreement between you and us, and it may not be altered, amended, modified, terminated or otherwise changed except in writing and signed by both you and us. A limiting endorsement on a check or other form or payment will not be effective to modify the Obligations or any of the other terms and conditions of this Lease, and we may apply any payment received without being bound by such limiting endorsements. The paragraph headings are inserted in this Lease and other Lease Documents for convenience of reference and will not affect the meaning or interpretation of such Lease and other Lease Documents. If any of the provisions of this Lease and/or the other Lease Documents are determined to be void, invalid or unenforceable in part, the remaining provisions, and the enforceable portions of any partially unenforceable provisions, shall nevertheless be binding and enforceable and the parties hereby agree that the portion so held invalid, unenforceable or void shall, if possible, be deemed amended or reduced in scope, or otherwise be stricken from this Lease only to the minimum extent required for the purposes of its continued validity and the enforcement thereof. No provisions of this Lease and other Lease Documents may be modified, waived or discharged orally by any of our representatives, but only by a waiver, modification or discharge in writing signed by our authorized representative. No waiver by either you or us at any time of any breach by the other party hereto of, or failure to be in compliance with, any condition or provision of this Lease and other Lease Documents to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the time or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either you or us that are not expressly set forth in this Lease or the

other Lease Documents.

**20. OTHER RIGHTS:** In the event you fail to comply with any terms of this Lease, we can, but we do not have to, take any action necessary to effect your compliance. If we are required to pay any amount to obtain your compliance, the amount we pay plus all of our expenses in causing your compliance, shall become additional Obligations. This Lease is for the benefit of and is binding upon you and your personal representatives, successors and assigns. Time is of the essence in this Lease. You agree that any delay or failure by us to enforce our rights under this Lease or any other agreements shall not prevent us from enforcing any rights at a later time. Both parties intend this Lease to be a valid and legal document, and agree that if any part is determined to be unenforceable, all other parts will remain in full force and effect. You also grant us a security interest in the Vehicles and any proceeds of, accessions and attachments to the Vehicles as security for your Obligations. You agree that we may file financing statements or other related filings in our name or in the name of any agent designated by us. You hereby authorize us, or our assigns, to file a financing statement without your signature, in form or content and from time to time as we deem proper, listing you as Lessee or Debtor.

**21. CHOICE OF LAW; JURISDICTION:** YOU AND WE AGREE THAT THIS LEASE SHALL BE BINDING WHEN ACCEPTED IN WRITING BY US AT OUR OFFICES AND GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA OR THE HOME STATE OF WHICHEVER PARTY HOLDS THE LESSOR'S INTEREST AS IT MAY BE ASSIGNED FROM TIME TO TIME PER THE TERMS OF THIS LEASE. YOU WAIVE TRIAL BY JURY IN ANY ACTION BETWEEN US. YOU AND WE IRREVOCABLY AND UNCONDITIONALLY (I) AGREES THAT ANY SUIT, ACTION OR OTHER LEGAL PROCEEDING ARISING OUT OF THIS LEASE, WILL BE BROUGHT IN THE FEDERAL OR STATE COURT IN LOS ANGELES COUNTY CALIFORNIA; (II) CONSENTS TO THE EXCLUSIVE JURISDICTION OF ANY SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING; AND (III) WAIVES ANY OBJECTION WHICH EACH SUCH PARTY MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY SUCH COURT.

**22. REPRESENTATIONS AND COVENANT OF LESSEE:** You represent that all financial and other information furnished to us was, at the time of delivery, true and correct. During the term of this Lease, you shall provide us with such interim or annual financial statements and filed tax returns as we request.

**23. EXECUTION OF LEASE:** This Lease may be signed in counterparts and may be delivered by facsimile or electronically, and each such counterpart, electronic copy and/or facsimile will be considered an original, but all of which, when taken together, will constitute one instrument. This Lease and any amendments hereto, to the extent signed and delivered by means of digital imaging, electronic mail and/or a facsimile machine shall be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person. At the request of either you or us, the other parties hereto shall re-execute original forms thereof and deliver them to the requesting party. If this document was sent electronically, you hereby warrant that this document has not been altered in any way. Any alteration or revision to any part of this or any attached documents will make all such alternations or revisions non-binding and void.

**24. RULES OF CONSTRUCTION:** This Lease has been negotiated by the parties and is to be interpreted according to its fair meaning as if the parties had prepared it together and not strictly for or against either you or us. You acknowledge that: (i) you have had the opportunity to be represented by independent counsel in connection with this Lease; (ii) that you executed this Lease with the advice of such counsel; and (iii) this Lease is the result of negotiations between the parties hereto and the advice and assistance of their respective counsel. You agree that the fact that this Lease was prepared by our counsel as a matter of convenience shall have no import or significance and any uncertainty or ambiguity in this Lease shall not be construed against us because our counsel prepared this Agreement.

**25. REVISION OF AGGREGATE COST OF VEHICLES LEASED.** YOU AND WE UNDERSTAND, ACKNOWLEDGE AND AGREE THAT IF FOR ANY REASON THE ACTUAL INVOICE RECEIVED BY US FROM THE SUPPLIER FROM WHOM WE PURCHASED THE VEHICLES THAT ARE THE SUBJECT OF THIS LEASE (THE "SUPPLIER INVOICE") REFLECTS AN AGGREGATE COST OF THE VEHICLES LEASED DIFFERENT FROM THE AGGREGATE COST OF THE VEHICLES ORIGINALLY REFLECTED

**ON PAGE 1 OF THIS LEASE AND SCHEDULE 1 HERETO, THEN YOU AND WE BOTH AGREE TO EXECUTE A NEW PAGE 1 AND SCHEDULE 1 WITH THE AMOUNTS OF THE AGGREGATE COST OF THE VEHICLES, AGGREGATE MONTHLY RENT, AND ANY OTHER RELEVANT FINANCIAL TERMS AND CONDITIONS MODIFIED SO AS TO APPROPRIATELY TAKE INTO CONSIDERATION THE AGGREGATE COST OF THE VEHICLES LEASED AS REFLECTED IN THE SUPPLIER INVOICE AND (I) THE FORMER PAGE 1 AND SCHEDULE 1 SHALL BE DEEMED DELETED AND REPLACED IN THEIR ENTIRETY BY THE NEW PAGE 1 AND SCHEDULE 1, COPIES OF WHICH DOCUMENTS SHALL BE AFFIXED TO THESE TERMS AND CONDITIONS AND (II) ALL TERMS AND CONDITIONS OF THE NEW PAGE 1 AND SCHEDULE 1 SHALL BE DEEMED INCORPORATED IN THE LEASE DOCUMENTS.**

## Company Resolution

I, \_\_\_\_\_, the duly elected and qualified of \_\_\_\_\_ (the “**Company**”), hereby certify that Company’s exact legal name, state of incorporation/organization, location of its chief executive office and/or its place of residence, as applicable, have been correctly identified to EagleRider Finance, LLC, and that at a duly constituted meeting of the Board of Directors/Officers/\_\_\_\_\_s/Partners of the Company, the Board resolved that the following individuals:

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

is/are authorized for, on behalf of and in the name of this Company, to negotiate, procure and execute such Lease Agreements and any other documents in connection with same, which in his/her opinion are necessary or advisable to effectuate the most favorable interests of the Company, and the execution of such documents by said officer shall be conclusive evidence of his/her approval thereof.

IN WITNESS WHEREOF, I have affixed my name as of the Company on \_\_\_\_\_.

Legal Name  
of Company: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**DELIVERY AND ACCEPTANCE CERTIFICATE**

**Document Number:** \_\_\_\_\_

**By signing below, you, the Lessee, agree:**

- a. That all Vehicles described in the Lease identified above have been delivered and inspected and are unconditionally and irrevocably accepted by you as satisfactory for all purposes of the Lease; and
- b. That we, **EagleRider Finance, LLC**, are authorized to purchase the Vehicles and start billing you under the Lease as set forth in Section 2.

Date of Acceptance: \_\_\_\_\_

Lessee Name: \_\_\_\_\_

Signature \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I hereby authorize \_\_\_\_\_ to orally verify my/our acceptance of the Vehicles subject to Document Number in my absence.

**Copy of Driver's License**

**Document Number:** \_\_\_\_\_

**Lessee Name:** \_\_\_\_\_

Please attach legible copy of a current driver's license, with picture and signature clearly present, or another form of photo identification with signature for the following individuals:

**Signor**

**PG 1:** \_\_\_\_\_

**PG 2:** \_\_\_\_\_

**PG 3:** \_\_\_\_\_

**PG 4:** \_\_\_\_\_

**Please copy driver's license(s) below or on a separate page:**



## GUARANTY AGREEMENT

LEASE AGREEMENT DATE \_\_\_\_\_, \_\_\_\_

DOCUMENT NO. \_\_\_\_\_

**THIS GUARANTY AGREEMENT** (the “**Guaranty**”) is dated effective \_\_\_\_\_ and is given by the undersigned (“**Guarantor**”) to **EAGLERIDER FINANCE, LLC** (“**Lessor**”) and its successors and assigns \_\_\_\_\_ (“**Lessee**”) has entered into the above-referenced Lease Agreement (“**Lease**”) pursuant to which the Lessee is leasing certain motorcycles from the Lessor. To induce Lessor to lease motorcycles to the Lessee under the Lease, and to induce Lessor to enter into any applicable Purchase Orders(s) pursuant which Lessor will purchase vehicles which will be the subject of the Lease, the Guarantor has agreed to enter into this Guaranty. All capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Lease. Accordingly, Guarantor agrees as follows:

1. Guarantor hereby unconditionally guarantees to Lessor the full and prompt payment of any and all debts, obligations and liabilities of Lessee (the “**Obligations**”) currently existing and hereafter arising pursuant to the Lease and all documents, addendums, instruments, waivers, agreements, order schedules, exhibits referenced therein, including, but not limited to any applicable Hold Harmless Letter Agreement (collectively with the Lease, the “**Lease Documents**”). Guarantor agrees that its obligations hereunder are absolute, continuing, unlimited and unconditional, and are irrevocable without regard to the genuineness, validity, legality or enforceability of the Lease Documents, and shall not be subject to any right of set-off or counterclaim, and are in no way conditioned upon any attempt to enforce performance or compliance by Lessee, or of any other event or contingency.
2. Guarantor hereby expressly waives acceptance, diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement to proceed against the Lessee, or exercise any other right or remedy against the Lessee or any other person. This is a guarantee of payment, and not of collection, and Guarantor therefore agrees that the Lessor shall not be obligated prior to seeking recourse against or receiving payment from Guarantor, to take any action whatsoever against the Lessee. Until the obligations under the Lease have been fully satisfied, the undersigned agrees not to obtain reimbursement or payment from Lessee or any other person obligated with respect to the Lease Documents of from any collateral given as security for the payment of the Obligations under the Lease Documents. If an event of default (as defined under the Lease) shall have occurred and be continuing, and the Lessor is prevented, for any reason, from exercising its remedies under the Lease, the Lessor (or any assignee thereof) shall be entitled to receive from Guarantor, upon demand, the sums which would have otherwise been due had such remedies been exercised.
3. No failure on the part of the Lessor to exercise, no delay in exercising, and no course of dealing with respect to any right or remedy hereunder will operate as a waiver thereof; nor will any single or partial exercise of any right or remedy hereunder preclude any other further exercise of any other right or remedy. This Guaranty may not be amended except by written agreement of the Guarantor and the Lessor.
4. This Guaranty is absolute and unconditional, and the liability of the undersigned hereunder shall not be affected or impaired in any way by any of the following, each of which Lessor may agree to without the consent of the undersigned: (a) any extension or renewal of the Lease whether or not for longer than the original period; (b) any change in the terms of payment or other terms of the Lease or any other Lease Documents; (c) any waiver of forbearance granted to Lessee or any other person liable with respect to the Lease or other Lease Documents, any (d) compromise with, or failure to assert rights against Lessee or any such other person; and (d) the application or failure to apply in any particular manner any payments or credits on the Lease, any other Lease Documents or any other obligation Lessee may owe to Lessor.

(REG 5/28/2024)

5. In addition to all liens on and rights of setoff against Guarantor's money, securities, and other property given to Lessor by law, Lessor has a right of setoff against all of Guarantor's money, securities, and other property now or later in the possession of or on deposit with Lessee, whether held in a general or special account or deposit, for safekeeping, or otherwise. Every security interest and right of setoff may be exercised without demand on or notice to Guarantor. No action or nonaction by Lessor with respect to any security interest or right of setoff will be considered a waiver of either; and every security interest and right of setoff will continue in full force and effect until specifically waived or released by an instrument in writing executed by Lessor.

6. Upon a default under the Lease, any indebtedness of Lessee now or later owed to Guarantor is subordinated to the Obligations; and, if Lessor requests, any indebtedness of Lessee now or later owed to Guarantor will be collected, enforced, and received by Guarantor as trustee for Lessor and paid over to Lessor on account of the Obligations, without affecting Guarantor's liability under this Guaranty.

7. (a) Guarantor represents and warrants that Guarantor has derived a financial advantage from the Lease, and from every renewal, extension, release of collateral, and other relinquishment of legal rights made or granted, now or in the future, by Lessor to Lessee in connection with the Lease.

(b) Guarantor represents and warrants that Guarantor has copies of, and is fully familiar with, every document executed or delivered to Lessor by Lessee (including, but not limited to, the Lease Documents) and represents and warrants that all necessary action, whether corporate or otherwise, has been taken by Lessee to authorize Lessee to execute those documents and to engage in the transactions described in them.

8. (a) Guarantor authorizes Lessor, before or after revocation, without notice or demand, and without affecting Guarantor's liability under this Guaranty, from time to time:

(1) To extend additional credit to Lessee; to renew, extend, accelerate, compromise, and otherwise change the time for payment of the Obligations; and to modify any other terms of, any or all of the Lease Documents;

(2) To take and hold security for the payment of this Guaranty or the Obligations; to perfect or refrain from perfecting its interest in the security, whether or not the security is required as a condition to the lease of the Vehicles to Lessee pursuant to the terms of the Lease; to exchange, enforce, waive, or release (whether intentionally or unintentionally) all or any part of the security; and to purchase all or any part of the security at a public or private sale;

(3) To apply all or any part of the security, and to direct the order or manner of its sale, as Lessor, in its sole discretion, determines;

(4) To settle, release, compromise with and substitute any one or more of the endorsers, Guarantors, and other obligors of this Guaranty or the Obligations; and

(5) To assign this Guaranty, in whole or in part.

(b) Guarantor waives any right it may have to require Lessor:

(1) To proceed against Lessee or any other party liable on the Obligations;

(2) To proceed against or exhaust any security granted by Lessee or any other person before proceeding against Guarantor or any security granted by Guarantor;

(3) To have the property of Lessee first applied to the discharge of the Obligations; and

(4) To pursue any other remedy in Lessor's power.

(c) Guarantor waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, and notices of acceptance of this Guaranty and of the incurring of new or additional Obligations or the extension or nonpayment of Obligations.

(d) Guarantor assumes responsibility for being and keeping informed of the financial condition of Lessee and of all other circumstances bearing on the risk of nonpayment of the Obligations that diligent inquiry would reveal. Lessor has no duty to advise Guarantor of information known to it regarding that condition or any such circumstances. On Lessor's request, Guarantor will promptly provide complete and current financial statements and other financial information about Guarantor as Lessor reasonably requests.

(e) At its election, Lessor may exercise any right it may have against Lessee or any security held by Lessor, including without limitation the right to foreclose on the security by one or more judicial or nonjudicial sales, whether or not every aspect of those sales is commercially reasonable, without affecting or impairing Guarantor's liability under this Guaranty, except to the extent that the Obligations is paid.

(f) Guarantor waives any defense arising from the absence, impairment, or loss of any right of reimbursement, contribution, or subrogation, or any other right of Guarantor against Lessee or any security, whether resulting from the election by Lessor or otherwise. Guarantor waives any defense arising from any cause whatsoever, including without limitation the Lessor's act or omission, resulting in the cessation of Lessee's liability to Lessor for the Obligations, either in whole or in part.

(g) Guarantor waives, to the fullest extent permitted by law, all rights and benefits:

(1) Under California Civil Code §2809, which provides that a guarantor's obligations may not exceed nor be more burdensome than the principal obligation; and

(2) Without limiting the generality of the foregoing or any other provision of this Guaranty, under California Civil Code § 2815, 2819, 2839, 2845, 2847-2849, 2850, 2899, and 3433, to the extent these provisions, or any of them, have any application to this Guaranty or to Guarantor.

(h) In addition, Guarantor waives, to the fullest extent permitted by law:

(1) Any defense arising as a result of Lessor's election of the application of 11 United States Code §1111(b)(2) in any proceeding instituted under Title 11 of the United States Code; and

(2) Any defense based on any borrowing or grant of a security interest under 11 United States Code §364. Guarantor acknowledges that they have discussed with legal counsel the effect of the above waivers on rights and remedies they might otherwise have.

(i) If Guarantor is a director, officer, shareholder, or person in control of Lessee, or a relative of that person, Guarantor may be deemed to be an "insider" as defined in 11 United States Code §101. Guarantor expressly waives and agrees not to assert any claim (as defined in §101) that Guarantor has or may have against Lessee for any payment or transfer that Guarantor is obligated to make to Lessor under this Guaranty or under any other agreement with a creditor of Lessee. Guarantor's obligations under this Guaranty include all amounts paid to Lessor by Lessee that are later recovered from Lessor in a legal proceeding.

9. Until the Obligations have been paid in full, including any part of the Obligations that exceeds Guarantor's liability under this Guaranty, Guarantor does not have, and waives to the fullest extent permitted by law, (a) any right of subrogation to any right that Lessor now has or may have later against Lessee in connection with the

Obligations and (b) any benefit of, and any right to participate in, any security now or later held by Lessor for the Obligations.

10. The undersigned agrees to pay all costs, expenses and attorneys' fees paid or incurred by Lessor in endeavoring to enforce the Lease Documents and this Guaranty. If any payment from the Lessee or anyone else is applied to the Obligations and is thereafter set aside, recovered, rescinded, or required to be returned for any reason (including as a preference in the bankruptcy of Lessee), the Obligations under Lease Documents to which such payment was applied shall for purposes of this Guaranty be deemed to have continued in existence notwithstanding such application, and this Guaranty shall be enforceable as to such obligations as fully as if such applications had never been made.

11. (a) This Guaranty shall be deemed fully executed and performed in the state of Borrower's principal place of business and shall be governed by and construed in accordance with the law thereof.

(b) Any dispute arising out of or in connection with this Guaranty, must be determined by binding arbitration in Los Angeles County, California, under the rules for commercial arbitration of the American Arbitration Association ("AAA"), except to the extent that the express provisions of this Guaranty vary such rules. The arbitrator must be an attorney who has had substantial experience in representing franchisors, franchisees or both. If the AAA is unable to provide a list of arbitrators that meet this requirement on its panel of arbitrators, it must look beyond the panel for arbitrators. There will be no discovery beyond that required for an arbitration proceeding by applicable state law, unless the parties mutually agree otherwise by a writing signed by officers of the parties rather than by their counsel. The arbitrator will have no power to make any award that modifies or suspends any lawful provision of this agreement and must provide a reasoned award. Judgment on any award may be entered by any court of competent jurisdiction.

(c) The arbitration clause set forth in Paragraph (b) above, will not deprive either party of any right it may otherwise have to seek provisional injunctive relief through any judicial proceeding ("**Injunctive Relief**"). If either party should initiate any judicial proceeding seeking Injunctive Relief such proceeding shall be brought in the state of federal courts in the state and county of the principal executive office or residence of the party not initiating such action (i.e., the defendant or responding party). The undersigned hereby (a) submits to the exclusive jurisdiction of such courts for the purpose of any judicial proceeding seeking Injunctive Relief and (b) irrevocably waives, and agrees not to assert by way of motion, defense, or otherwise, in any such action, any claim that he/she/it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the action is brought in an inconvenient forum or that the venue of the action is improper.

12. All notices, requests, consents and other communications hereunder to any party shall be deemed to be sufficient if contained in a written instrument delivered in person or by facsimile, electronic delivery, nationally-recognized overnight courier or first-class mail, postage prepaid, addressed to such party as follows, (a) if to Guarantor, addressed to the mail or electronic addresses or facsimile number set forth below; or (b) if to Lessor, (1) for personal delivery or mail delivery – delivered or addressed to 11860 South La Cienega Blvd, Hawthorne, California 90250 Attn.: Jeff Brown, (2) for electronic delivery - jeff@eaglerider.com or (3) for facsimile delivery - (310) 536-6771, Attn.: Jeff Brown. All such notices, requests, consents and other communications shall be deemed to have been delivered (x) in the case of personal delivery on the date of such delivery or attempted delivery if the recipient refuses or fails to claim delivery; (y) in the case of (1) dispatch by nationally-recognized overnight courier or (2) delivery by facsimile or electronic means, on the next business day following such dispatch or delivery; and (z) in the case of mailing, on the third day after the posting thereof.

13. If any term of this Guaranty shall be invalid or unenforceable, it shall be severed from the balance of the Guaranty. This Guaranty shall be binding upon the successors and assigns of the Guarantor. Lessor may, without notice to Guarantor, assign this Guaranty in whole or in part. Guarantor waives all defenses at law or in equity

other than payment and agrees that this instrument shall be binding on all successors and assigns of Guarantor and shall inure to the benefit of the successors and assigns of the Lessor.

14. If an entity, Guarantor has full legal power and authority to execute, deliver and perform its obligations under this Guaranty and the officer or agent executing this Guaranty on behalf of Guarantor has full authority to execute this Guaranty on behalf of Guarantor.

15. Upon a default under the Lease, Guarantor authorizes Lessor, without notice or demand, to procure a credit report of guarantor.

**GUARANTOR**

**If Individual**

\_\_\_\_\_

\_\_\_\_\_

*Printed Name*

*Address:* \_\_\_\_\_

*Facsimile Number* \_\_\_\_\_

*Email Address:* \_\_\_\_\_

*Drivers License State and No.:* \_\_\_\_\_

**ATTACH PHOTOCOPY OF LICENSE**

**If Entity:**

*Printed Name of Entity and State of  
Organization*

\_\_\_\_\_

*By:* \_\_\_\_\_

*Printed Name and Title*

*Address:* \_\_\_\_\_

*Facsimile No.* \_\_\_\_\_

*Email Address:* \_\_\_\_\_

**EXHIBIT D**  
**(TO DISCLOSURE DOCUMENT)**  
**OPERATIONS MANUAL**

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**EXHIBIT E**  
**(TO DISCLOSURE DOCUMENT)**

**SPECIAL RELEASE OF CLAIMS**

This Special Release of Claims (“**Release**”) is made effective as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_[*name of Franchisee*], referred to in this Release as “**Franchisee**,” in favor of EagleRider, Inc., referred to in this Release as “**Franchisor**.”

**RECITALS**

This Release is made and delivered with reference to the following facts:

A. Franchisor and Franchisee are parties to an EAGLERIDER® Franchise Agreement dated \_\_\_\_\_ (the “**Franchise Agreement**”) (to the extent not otherwise defined herein, all initial-capitalized references shall have the same meaning as set forth in the Franchise Agreement).

B. Franchisee would like to transfer the Franchise Agreement, the ownership of the Franchisee, or the EAGLERIDER® Outlet or any assets of the EAGLERIDER® Outlet to a transferee, as described in the accompanying documents.

–OR–

B. Franchisee would like to renew the Franchise Agreement.

C. Franchisor is willing to consent to Franchisee's request on condition that Franchisee meets the conditions for consent stated in the Franchise Agreement. One of these conditions is that Franchisee must sign a special release of claims in favor of Franchisor.

For the above-described consideration, the value and adequacy of which Franchisee acknowledges, Franchisee signs and delivers this Release.

**RELEASE**

1. **Release.** The Franchisee, for itself and its affiliates, and their respective current and former successors, assigns, officers, shareholders, directors, members, managers, agents, heirs and personal representatives (“**Franchisee Affiliates**”), hereby fully and forever unconditionally releases and discharges the Franchisor and its affiliates, and their respective successors, assigns, agents, representatives, employees, officers, shareholders, directors, members, managers and insurers (collectively referred to as “**Franchisor Affiliates**”) from any and all claims, demands, obligations, actions, liabilities and damages of every kind and nature whatsoever (“**Released Claims**”), in law or in equity, whether known or unknown, which the Franchisee or the Franchisee Affiliates may now have against the Franchisor or Franchisor Affiliates or which may hereafter be discovered. Without limiting the foregoing, Released Claims includes, but is not limited to, all claims, demands, obligations, actions, liabilities and damages, known or unknown, in any way arising from or relating to: (i) any relationship or transaction with the Franchisor or Franchisor Affiliates, (ii) the Franchise Agreement or any related agreements, and (iii) the franchise relationship, from the beginning of time until the date of this Release.

In addition, to the extent California or South Dakota law applies to the Release, the Franchisee, on behalf of itself and Franchisee Affiliates, agrees as follows:

(REG 5/28/2024)

1(a) Release of Unknown Claims and Waiver of California Law. The Franchisee and the Franchisee Affiliates acknowledge that they are aware and informed that the laws of California may purport to limit or reduce the effect of a general release with respect to claims not known or suspected by them at the time of execution of the Release, such as Section 1542 of the Civil Code of the State of California, which provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release which, if known by him, must have materially affected the settlement with the debtor.”

The Franchisee and the Franchisee Affiliates waive and relinquish every right or benefit which they have, or may have, under Section 1542 of the Civil Code of the State of California, and under any similar provisions of any other law (as may be applicable to this Release), to the fullest extent that the Franchisee and the Franchisee Affiliates may lawfully waive such right or benefit pertaining to the subject matter of this Release. In connection with such waiver and relinquishment, with respect to the Released Claims, the Franchisee and the Franchisee Affiliates acknowledge that they are aware and informed that they may hereafter discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of this Release, but that it is the Franchisee’s and the Franchisee Affiliates’ intention to settle and release fully, and finally and forever, all Released Claims, disputes and differences, known or unknown, suspected or unsuspected, which now exist, may exist or heretofore existed, and in furtherance of such intention, the Release given herein shall be and remain in effect as a full and complete release, notwithstanding the discovery or existence of any such additional or different facts that would have affected the release of all Released Claims. The Franchisee and the Franchisee Affiliates agree to defend, indemnify and hold harmless the Franchisor and the Franchisor Affiliates from any and all Released Claims arising out of, directly or indirectly, the assertion by the Franchisee and the Franchisee Affiliates (or any person or entity by, through, or on their behalf) of any Released Claims, positions, defenses, or arguments contrary to this Section 1(a) of this Release.

1(b) Release of Unknown Claims and Waiver of South Dakota Law. The Franchisee and the Franchisee Affiliates acknowledge that they are aware and informed that the laws of South Dakota may purport to limit or reduce the effect of a general release with respect to claims not known or suspected by them at the time of execution of this Release, such as South Dakota Codified Laws § 20-7-11, which provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.”

The Franchisee and the Franchisee Affiliates waive and relinquish every right or benefit which they have, or may have, under § 20-7-11 of the South Dakota Codified Laws, and under any similar provisions of any other law (as may be applicable to this Release), to the fullest extent that they may lawfully waive such right or benefit pertaining to the subject matter of this Release. In connection with such waiver and relinquishment, with respect to the Released Claims, the Franchisee and the Franchisee Affiliates acknowledge that they are aware and informed that they may hereafter discover facts in addition to or different from those that the Franchisee and the Franchisee Affiliates now know or believe to be true with respect to the subject matter of this Release, but that it is their intention to settle and release fully, and finally and forever, all Released Claims, disputes and differences, known or unknown, suspected or unsuspected, which now exist, may exist or heretofore existed, and in furtherance of such intention, the Release given

herein shall be and remain in effect as a full and complete release, notwithstanding the discovery or existence of any such additional or different facts that would have affected the release of all Released Claims. The Franchisee and the Franchisee Affiliates agree to defend, indemnify and hold harmless the Franchisor and the Franchisor Affiliates from any and all Released Claims arising out of, directly or indirectly, the assertion by the Franchisee and the Franchisee Affiliates (or any person or entity by, through, or on their behalf) of any Released Claims, positions, defenses, or arguments contrary to this Section 1(b) of this Release.

**2. General.** This Release shall be construed and enforced in accordance with, and governed by, the laws of the state in which Franchisee's EAGLERIDER® Outlet is located. This Release embodies the entire agreement and understanding between the Parties and supersedes all prior agreements and understandings relating to the subject matter hereof, and this Release may not be modified or amended or any term hereof waived or discharged except in writing signed by the party against whom such amendment, modification, waiver or discharge is sought to be enforced. Nothing in this Release is intended to disclaim any representations made by the Franchisor in the most recent franchise disclosure document provided by the Franchisor or its representatives to the Franchisee in connection with any successor to the Franchise Agreement. The headings are for convenience in reference only and shall not limit or otherwise affect the meaning hereof. This Release may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. If any provision of this Release shall be held by a court of competent jurisdiction to be invalid or unenforceable, such provision shall be deemed modified to eliminate the invalid or unenforceable element and, as so modified, such provision shall be deemed a part of this Release as though originally included. The remaining provisions of this Release shall not be affected by such modification. All provisions of this Release are binding and shall inure to the benefit of the parties and their respective delegates, successors and assigns.

I, the undersigned, have read this Release and understand all of its terms. I sign it voluntarily and with full knowledge of its significance.

Dated: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_  
*(Signature of Franchisee)*

\_\_\_\_\_  
*(Print name of Franchisee)*

STATE OF \_\_\_\_\_ )

)

COUNTY OF \_\_\_\_\_ )

I certify that I know or have satisfactory evidence that the above-named individual(s) signed this instrument and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public

Print Name: \_\_\_\_\_

My commission expires: \_\_\_\_\_

**EXHIBIT F  
(TO DISCLOSURE DOCUMENT)**

**NONDISCLOSURE AND NONCOMPETITION AGREEMENT**

This Nondisclosure and Noncompetition Agreement (the “**Agreement**”) is made and entered into effective the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between EagleRider, Inc., a California corporation (“**EagleRider**”), located at 11860 S. La Cienega Boulevard, Hawthorne, CA 90250 and \_\_\_\_\_ (“**Associate**”), who resides at \_\_\_\_\_.

**RECITALS**

A. EagleRider has developed methods for establishing and operating franchises for the rental of high-end motorcycles and powersports vehicles, including Harley-Davidson® and other brands, or off-road vehicles and scooters (“**EAGLERIDER Outlets**” or “**Outlets**”) which use the service mark “**EAGLERIDER®**” and related service marks, trade names and trademarks (“**Marks**”);

B. EagleRider has developed methods for establishing, operating and promoting lifestyle travel and motor vehicle rental facilities pursuant to EagleRider’s distinctive business format, plans, methods, data, processes, marketing systems, formulas, techniques, designs, layouts, operating procedures, trademarks, proprietary marks and information and know-how of EagleRider (“**Confidential Information**”) and such Confidential Information as may be further developed from time to time by EagleRider;

C. EagleRider and its affiliates have established substantial goodwill and an excellent reputation with respect to the quality of services and products available, which goodwill and reputation have been and will continue to be of major benefit to EagleRider;

D. Associate is or will become involved with EagleRider in the capacity of an officer, partner, director, agent, Principal Manager, Regional Manager, employee, principal, beneficial owner or as an immediate family member of one of the foregoing persons, all of whom are associated with an EagleRider Outlet (the “**Franchised Business**”) pursuant to the terms of a Franchise Agreement between EagleRider and the party identified as the “**Franchisee**” at the end of this Agreement, and in such capacity, Associate will become privileged as to certain Confidential Information; and

E. Associate and EagleRider have reached an understanding with regard to nondisclosure by Associate of Confidential Information and with respect to noncompetition by Associate with EagleRider.

**NOW THEREFORE**, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Associate and EagleRider, intending legally to be bound, agree as follows:

**1. Confidential Information.** Associate and EagleRider acknowledge that the distinctive business format, plans, methods, data, processes, marketing systems, manuals, product formulas, techniques, designs, layouts, operating procedures, trademarks, proprietary marks and information and know-how of EagleRider which are developed and utilized in connection with the operation of the franchise and Franchised Business are EagleRider’s Confidential Information. Such Confidential Information is unique, exclusive property and a trade secret of EagleRider. Associate acknowledges that any unauthorized disclosure or use of the Confidential Information would be wrongful and would cause irreparable injury and harm to EagleRider. Associate further acknowledges that EagleRider has expended a great amount of

effort and money in obtaining and developing the Confidential Information, that EagleRider has taken numerous precautions to guard the secrecy of the Confidential Information and that it would be very costly for competitors to acquire or duplicate the Confidential Information.

**2. Operations Manuals as Trade Secrets.** It is understood that Confidential Information, constituting “trade secrets”, as used in this Agreement is deemed to include, without limitation, client lists, written information, vendor lists and product formulas and any and all information contained in EagleRider’s Operations Manual, which may be provided as one or more separate manuals, or written instructional guides, as the same are changed or supplemented from time to time, and any information of whatever nature which gives EagleRider and its affiliates an opportunity to obtain an advantage over its competitors who do not have access to, know or use such lists, written materials, formulas or information.

**3. Nondisclosure of Confidential Information.** Associate shall not at any time, publish, disclose, divulge or in any manner communicate to any person, firm, corporation, association, partnership or any other entity whatsoever or use, directly or indirectly, for its own benefit or for the benefit of any person, firm, corporation or other entity other than for the use of EagleRider or the Franchisee, any of the Confidential Information of EagleRider or its affiliates.

**4. Noncompetition Covenant.** Associate hereby covenants and agrees that, during the term of the Franchise Agreement governing the establishment and operation of the Franchised Business, except while associated with or operating the Franchised Business in a manner authorized by EagleRider, neither Associate nor any member of Associate’s immediate family, shall:

a. have any direct or indirect controlling interest as a disclosed or beneficial owner in a Competitive Business;

b. perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business; or

c. divert or attempt to divert any business related to, or any client or account of the Franchised Business, EagleRider’s business or any other franchisee’s business, by direct inducement or otherwise, to any Competitive Business by any direct inducement or otherwise.

The term “**Competitive Business**” as used in this Agreement shall mean any person or company that is in the business of performing or providing, or granting franchises or licenses to operate a business which performs or provides, motorcycle, watercraft or power sports vehicle rental. Notwithstanding the foregoing, the Franchisee shall not be prohibited from owning securities in a Competitive Business if such securities are listed on a stock exchange or traded on the over-the-counter market and represent 5% or less of that class of securities issued and outstanding.

**5. Post-Termination Covenant Not to Compete.** Associate covenants and agrees that, for a period of two years after the effective date of termination, transfer or expiration of the Franchise Agreement for the Franchised Business, or for a period of two years after termination or cessation of Associate’s relationship with the Franchised Business, whichever is later, neither Associate, nor any member of Associate’s immediate family, shall have any direct or indirect interest as a disclosed or a beneficial owner, investor, partner, director, officer, manager, employee, consultant, representative or agent or in any other capacity in any Competitive Business located or operating within a 50 mile radius of the location of the Franchised Business, within 50 miles of any other franchised Outlet or within 50 miles of any EagleRider or affiliate-owned Outlet. The restrictions of this paragraph shall not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent 5% or less of the number of shares of that class of securities issued and outstanding.



Associate and its officers, directors, shareholders, and/or partners expressly acknowledge that they possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of this covenant will not deprive them of their personal goodwill or ability to earn a living.

6. **Injunction.** Associate hereby acknowledges and agrees that in the event of any breach or threatened breach of this Agreement, EagleRider shall be authorized and entitled to seek, from any court of competent jurisdiction, preliminary and permanent injunctive relief in addition to any other rights or remedies to which EagleRider may be entitled. Associate agrees that EagleRider may obtain such injunctive relief, without posting a bond or bonds totaling more than \$500, but upon due notice, and Associate's sole remedy in the event of the entry of such injunctive relief shall be dissolution of such injunctive relief, if warranted, upon hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by Associate.

7. **Effect of Waiver.** The waiver by Associate or EagleRider of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof.

8. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of Associate and EagleRider and their respective heirs, executors, representatives, successors and assigns.

9. **Entire Agreement.** This instrument contains the entire agreement of Associate and EagleRider relating to the matters set forth herein. It may not be changed orally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

10. **Governing Law.** This instrument shall be governed by and construed under the laws of the state where Associate resides.

11. **Jurisdiction and Venue.** In the event of a breach or threatened breach by Associate of this Agreement, Associate hereby irrevocably submits to the jurisdiction of the state and federal courts of the state where Associate resides, and irrevocably agrees that venue for any action or proceeding shall be in the state and federal courts of the state where Associate resides. Both parties waive any objection to the jurisdiction of these courts or to venue in the state and federal courts of the state where Associate resides.

12. **Severability.** If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement which shall otherwise remain in full force and effect.

13. **Attorneys' Fees.** In any action at law or in equity to enforce any of the provisions or rights under this Agreement, the unsuccessful party in such litigation, as determined by the court in a final judgment or decree, shall pay the successful party or parties all costs, expenses and reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if such successful party shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment.

*[Signature Page to Follow]*

**IN WITNESS WHEREOF**, the parties have signed this Agreement on the date first above written.

**EAGLERIDER, INC.**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**ASSOCIATE:**

\_\_\_\_\_  
Print Name: \_\_\_\_\_

NAME OF FRANCHISEE

\_\_\_\_\_

ASSOCIATE'S CAPACITY WITH  
FRANCHISED BUSINESS

\_\_\_\_\_  
\_\_\_\_\_

LOCATION OF FRANCHISED BUSINESS

\_\_\_\_\_  
\_\_\_\_\_

**EXHIBIT G**  
**(TO DISCLOSURE DOCUMENT)**

**CURRENT FRANCHISEES**  
**As of December 31, 2023**

**Arizona**

EagleRider Sedona  
441 Forest Rd.  
Sedona, AZ 86336  
(928) 554-1089  
Franchisee: Iron Horse Freedom, LLC  
Contact: Michael Whitlatch

**Colorado**

EagleRider Grand Junction  
2060 East Main Street  
Grand Junction, CO 81501  
(970) 242-2260  
Franchisee: SRM Enterprises, LLC  
Contact: Ronny Martin

**Florida**

EagleRider Miami BMW & Honda  
1831 NW 79<sup>th</sup> Ave  
Doral, FL 33126  
(305) 418-2112  
Franchisee: Motortech USA, Corp  
Contact: Allamo Moraes

EagleRider Ft. Lauderdale  
3285 SW 11th Ave, Unit 1  
Fort Lauderdale, FL 33315  
(305) 418-2112  
Franchisee: Searom Corp.  
Contact: Allamo Moraes

EagleRider Pensacola  
3930 North W. Street Unit C  
Pensacola, FL 32506  
(850) 748-3423  
Franchisee: The Road Captain, LLC  
Contact: Claire Coleman

**Georgia**

EagleRider Atlanta  
508 Cobb Parkway N  
Marietta, GA 30062  
(770) 424-8804  
Franchisee: GACC Worldwide, LLC  
Contact: Guido Adriaenssens

**Hawaii**

EagleRider Maui-Kihei  
1975 South Kihei Road, Unit 5  
Kihei, HI 96753  
(808) 667-7000  
Franchisee: Aloha Motorsports, LLC  
Contact: Dustin Winkle

EagleRider Maui  
30 Halawai Drive A-3  
Lahaina, HI 96761  
(808) 667-7000  
Franchisee: Aloha Motorsports, LLC  
Contact: Dustin Winkle

**Maryland**

EagleRider Crofton  
745 State Route 3  
Gambrills, MD 21504  
(410) 923-4944  
Franchisee: Powersports Rentals, LLC  
Contact: Paul Zublionis

**Massachusetts**

EagleRider Foxboro  
1000 Washington St.  
Foxboro, MA 02035  
(508) 543-1734  
Franchisee: Mom's Motorcycle Rental, LLC  
Contact: Joel Wheeler

EagleRider Boston  
184 Broadway  
Revere, MA 02151  
(508) 543-1734  
Franchisee: Two Wheeler Rentals, LLC  
Contact: Joel Wheeler

### **Nevada**

EagleRider BMW Las Vegas  
6175 W Sahara Ave  
Las Vegas, NV 89146  
(702) 430-3500  
Franchisee: Motorrad Rentals, Inc.  
Contact: Chris Clovis

EagleRider Triumph Las Vegas  
6175 W Sahara Ave  
Las Vegas, NV 89146  
(702) 430-3500  
Franchisee: Winner Motorcycles, LLC  
Contact: Chris Clovis

### **New Hampshire**

EagleRider Manchester  
98 Willow Street  
Manchester, NH 03103  
(603) 626-6300  
Franchisee: Feel the Thunder, LLC  
Contact: Joel Wheeler

EagleRider North Country  
149 State Street  
Groveton, NH 03582  
(603) 684-8189  
Contact: Joel Wheeler

### **New Jersey**

EagleRider Newark-Belleville  
655 Washington Ave  
Belleville, NJ 07109  
(973) 751-4545  
Franchisee: Motorcyclemall Rentals, LLC  
Contact: John Resciniti

**EXHIBIT H**  
**(TO DISCLOSURE DOCUMENT)**

**FRANCHISEES WHO HAVE LEFT THE SYSTEM**

*If we grant you this franchise, your contact information may be disclosed to other prospective franchisees when you leave the franchise system.*

EagleRider Carmel  
Carmel, CA  
(831) 241-2800  
Contact: Kevin Kosick

EagleRider Cleveland BMW  
Cleveland, OH  
(216) 749-1363  
Contact: Pamela Dengler

**EXHIBIT I  
(TO DISCLOSURE DOCUMENTS)**

**FINANCIAL STATEMENTS**

UNAUDITED FINANCIAL STATEMENTS OF  
EAGLERIDER, INC.  
FOR THE PERIOD ENDED APRIL 30, 2024

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

and

AUDITED FINANCIAL STATEMENTS OF  
EAGLERIDER, INC.  
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

## EagleRider Inc.

### Balance Sheet End of Apr 2024

Financial Row	Amount
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Accounts Receivable</b>	
<b>1100 - RECEIVABLES</b>	
1110 - A/R - Trade	\$9,985.36
<b>Total - 1100 - RECEIVABLES</b>	<b>\$9,985.36</b>
1600 - INTERCOMPANY RECEIVABLES	\$6,427,020.32
<b>Total Accounts Receivable</b>	<b>\$6,437,005.68</b>
<b>Total Current Assets</b>	<b>\$6,437,005.68</b>
<b>Other Assets</b>	
<b>1900 - OTHER NON-CURRENT ASSETS</b>	
1940 - Deferred Tax Asset	\$168.00
<b>Total - 1900 - OTHER NON-CURRENT ASSETS</b>	<b>\$168.00</b>
<b>Total Other Assets</b>	<b>\$168.00</b>
<b>Total ASSETS</b>	<b>\$6,437,173.68</b>
<b>Liabilities &amp; Equity</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2600 - INTERCOMPANY PAYABLES	\$5,634,150.87
<b>Total Accounts Payable</b>	<b>\$5,634,150.87</b>
<b>Total Current Liabilities</b>	<b>\$5,634,150.87</b>
<b>Equity</b>	
<b>Equity</b>	
<b>3000 - OWNERS EQUITIES</b>	
3300 - Additional Paid in Capital	\$276,020.74
3400 - Dividends Paid	(\$309,453.56)
<b>Total - 3000 - OWNERS EQUITIES</b>	<b>(\$33,432.82)</b>
<b>Total - Equity</b>	<b>(\$33,432.82)</b>
Retained Earnings	\$830,448.56
Net Income	\$6,007.07
<b>Total Equity</b>	<b>\$803,022.81</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$6,437,173.68</b>

## EagleRider Inc.

### Income Statement From Jan 2024 to Apr 2024

Financial Row	Amount
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
<b>4000 - REVENUE</b>	
<b>4700 - FRANCHISE REVENUE</b>	
4730 - Monthly Royalty Income	\$63,567.83
4731 - Monthly Royalty Income - CORP Owned	\$236,785.40
<b>Total - 4700 - FRANCHISE REVENUE</b>	<b>\$300,353.23</b>
<b>Total - 4000 - REVENUE</b>	<b>\$300,353.23</b>
<b>Total - Income</b>	<b>\$300,353.23</b>
<b>Cost Of Sales</b>	
<b>5000 - COST OF SALE</b>	
<b>5700 - FRANCHISE COS</b>	
5710 - Franchise Admin Fee	\$294,346.16
<b>Total - 5700 - FRANCHISE COS</b>	<b>\$294,346.16</b>
<b>Total - 5000 - COST OF SALE</b>	<b>\$294,346.16</b>
<b>Total - Cost Of Sales</b>	<b>\$294,346.16</b>
<b>Gross Profit</b>	<b>\$6,007.07</b>
<b>Net Ordinary Income</b>	<b>\$6,007.07</b>
<b>Net Income</b>	<b>\$6,007.07</b>



**EAGLERIDER, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

# EAGLERIDER, INC.

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholder of  
EagleRider, Inc.

### *Opinion*

We have audited the financial statements of EagleRider, Inc., which comprise the balance sheets as of December 31, 2023 and 2022 and the related statements of income, changes in shareholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of EagleRider, Inc. as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of EagleRider, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about EagleRider, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of EagleRider, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about EagleRider, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audits.

*Marcum LLP*

Costa Mesa, CA  
February 16, 2024

# EAGLERIDER, INC.

## BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

	2023	2022
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ --	\$ --
Accounts receivable	7,284	11,010
Deferred tax asset	168	168
Due from affiliates	<u>789,563</u>	<u>756,473</u>
<b>Total Current Assets</b>	<u>797,015</u>	<u>767,651</u>
<b>Total Assets</b>	<u>\$ 797,015</u>	<u>\$ 767,651</u>
<b>Liabilities and Shareholder's Equity</b>		
<b>Shareholder's Equity</b>		
Common stock: 1,000,000 no par value shares authorized, 135,024 shares issued and outstanding	\$ 276,021	\$ 276,021
Retained earnings	<u>520,994</u>	<u>491,630</u>
<b>Total Shareholder's Equity</b>	<u>797,015</u>	<u>767,651</u>
<b>Total Liabilities and Shareholder's Equity</b>	<u>\$ 797,015</u>	<u>\$ 767,651</u>

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

# EAGLERIDER, INC.

## STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<b>Franchise Revenues</b>	<u>\$1,898,442</u>	<u>\$1,993,216</u>
<b>Operating Expenses</b>		
Franchise administration fees paid to affiliate	<u>1,860,473</u>	<u>1,953,352</u>
<b>Total Operating Expenses</b>	<u>1,860,473</u>	<u>1,953,352</u>
<b>Income from Operations Before Provision for Income Taxes</b>	37,969	39,864
<b>Provision for Income Taxes</b>	<u>8,605</u>	<u>9,003</u>
<b>Net Income</b>	<u>\$ 29,364</u>	<u>\$ 30,861</u>

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

# EAGLERIDER, INC.

## STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	Common Stock		Retained	Total
	Shares	Amount	Earnings	Shareholder's
				Equity
<b>Balance - January 1, 2022</b>	135,024	\$ 276,021	\$ 460,769	\$ 736,790
Net income	<u>--</u>	<u>--</u>	<u>30,861</u>	<u>30,861</u>
<b>Balance - December 31, 2022</b>	135,024	276,021	491,630	767,651
Net income	<u>--</u>	<u>--</u>	<u>29,364</u>	<u>29,364</u>
<b>Balance - December 31, 2023</b>	<u>135,024</u>	<u>\$ 276,021</u>	<u>\$ 520,994</u>	<u>\$ 797,015</u>

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

# EAGLERIDER, INC.

## STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
<b>Cash Flows From Operating Activities</b>		
Net income	\$ 29,364	\$ 30,861
Adjustments to reconcile net income to net cash used in operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable	3,726	13,898
Due from affiliates	(33,090)	(44,759)
Total Adjustments	(29,364)	(30,861)
<b>Net Cash Used in Operating Activities</b>	--	--
<b>Net Decrease in Cash</b>	--	--
<b>Cash - Beginning</b>	--	--
<b>Cash - Ending</b>	\$ --	\$ --
 <b>Supplemental Disclosure of Cash Flow Information</b>		
Cash paid during the years for:		
Income Taxes	\$ --	\$ --

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



# EAGLERIDER, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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#### NOTE 1 - DESCRIPTION OF BUSINESS

EagleRider, Inc. (the “Company”) franchises, and owns through an affiliated company, sports and recreational motor vehicle rental facilities (“Outlets”) throughout the United States and in international markets. Outlets may be adjuncts to existing motor vehicle sales dealerships, drop-in facilities within resort venues, or freestanding businesses. Outlets are authorized to feature all-terrain vehicles, scooters, on or off-road motorcycles or automobiles, vans, or truck rentals. Outlets may also sell related retail items. At December 31, 2023, the Company had 44 operating Outlets. Of these, 29 are located in the U.S. and 15 Outlets are located in other countries. Revenue derived from international Outlets was \$76,784 and \$75,447 during the years ended December 31, 2023 and 2022, respectively. The Company’s affiliate, J.C. BroMac Corporation (“JCB”), owns the principal identifying mark, EAGLERIDER®, and other intellectual property used in the franchise system. JCB operates and/or is affiliated with a total of 73 Outlets as of December 31, 2023. JCB and the Company are wholly-owned subsidiaries of the same parent company.

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### *USE OF ESTIMATES*

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires 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 statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

##### *RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS*

Effective January 1, 2023, the Company adopted Accounting Standards Update (ASU) No. 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments," and all subsequent amendments to the ASU, collectively known as the Current Expected Credit Loss (CECL) model. The CECL model replaces the previous incurred loss impairment methodology with a methodology that reflects expected credit losses on the Company’s financial assets and requires consideration of a broader range of information to inform credit loss estimates. The Company applied the CECL model to its financial assets measured at amortized cost, which primarily consist of trade accounts receivable. The CECL model requires the Company to estimate the lifetime expected credit losses on these financial instruments based on historical loss experience, adjusted for current conditions and reasonable and supportable forecasts that affect the collectability of the reported amounts.

# EAGLERIDER, INC.

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS (CONTINUED)*

The Company adopted the CECL standard using the modified retrospective transition method through a cumulative-effect adjustment to retained earnings as of the beginning of the fiscal year of adoption. The adoption of the CECL model did not have a material impact on the Company's financial statements. As such, there was no cumulative-effect adjustment required to the opening balance of retained earnings on January 1, 2023.

#### *ACCOUNTS RECEIVABLE*

The Company operates in the sports and recreational motor vehicle rental industry and its accounts receivables are primarily derived from its franchisees. At each balance sheet date, the Company recognizes an expected allowance for credit losses. Also at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated on a pooled basis where similar risk characteristics exist. The Company writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the entity's accounting policy election. The total amount of write-offs and recoveries were immaterial to the financial statements as a whole for the year ending December 31, 2023.

#### *FAIR VALUE OF FINANCIAL INSTRUMENTS*

The carrying amount of the Company's cash, accounts receivable, initial franchise fee deposits, and amounts due to affiliate approximates fair value because of the short-term nature of those instruments.

#### *INCOME TAXES*

The Company records income taxes in accordance with ASC Topic 740, *Income Taxes*, under which deferred income taxes arise from timing differences in reporting certain revenues and expenses for financial reporting and income tax purposes. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amount of existing assets and liabilities and their respective tax bases. Such 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. A valuation allowance is established, when necessary, to reduce deferred income tax assets to the amount expected to be realized.

# EAGLERIDER, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

---

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *INCOME TAXES (CONTINUED)*

The Company files its tax returns as part of a consolidated group, therefore for these separate company financial statements, the ASC 740 income tax disclosures are presented

under ASC 740-10-30-27 on the separate return method. The Company determined it is not necessary to record unrecognized tax benefits on the separate company method.

The Company also complies with ASC 740-10 as it relates to uncertain tax positions. The guidance requires that the Company recognize the impact of a tax position in its

financial statements if the position is more likely than not to be sustained upon examination and on the technical merits of the position.

The Company did not have a material amount of unrecognized tax benefits as of December 31, 2023 or 2022 and deemed it appropriate to not change consolidated amounts of unrecognized tax benefits on separate company financial statements. The Company does not anticipate any material change in the total amount of unrecognized tax benefits will occur in the next twelve months.

The Company's practice is to recognize interest and/or penalties related to income tax matters in income tax expense. There were no penalties or interest related to income tax matters for the years ended December 31, 2023 or 2022.

##### *CONCENTRATIONS OF CREDIT RISK*

At December 31, 2023 one franchisee represented approximately 13% of the Company's revenues, this location had a receivable amount of \$1,644 as of December 31, 2023.

At December 31, 2022 two franchisees represented approximately 12% and 10% respectively, of the Company's revenues, these locations have a receivable amount of \$2,266 and \$2,404 as of December 31, 2022.

The Company's cash deposits are placed in a high-credit-quality financial institution. At times, deposits in this financial institution may be in excess of federally insured limits. The Company believes that there is no significant risk with respect to such deposits.

# EAGLERIDER, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *REVENUE RECOGNITION*

Recurring royalty fees based on rentals and merchandise sales, which comprise a majority of the Company's revenues, are recognized in accordance with ASC 606-10-55-65. Revenue is recognized for these sales-based royalties at the time the sale has occurred, which is when the Company has satisfied its performance obligation. In certain circumstances, international monthly royalty fees are waived in exchange for promotional agreements to increase customer awareness.

The Company collects initial franchise fees when franchise agreements are signed and recognizes the initial franchise fees as revenue when the franchise is opened, which is when the Company has satisfied its performance obligation by performing substantially all initial services required by the franchise agreement.

Franchise fees collected from franchisees but not yet recognized as revenue are recorded as initial franchise fees on deposit on the Company's balance sheets.

Franchise revenues for the years ended December 31, 2023 and 2022 were comprised of the following:

	<u>2023</u>	<u>2022</u>
Monthly royalty fees - JCB owned Outlets	\$ 1,620,723	\$ 1,631,528
Monthly royalty fees - 3 <sup>rd</sup> party owned Outlets	277,719	361,688
Initial franchise fees	<u>          --</u>	<u>          --</u>
<b>Franchise Revenues</b>	<b><u>\$ 1,898,442</u></b>	<b><u>\$ 1,993,216</u></b>

#### NOTE 3 - RELATED-PARTY TRANSACTIONS

The Company conducts business with its affiliate, JCB. The Company and JCB are wholly-owned subsidiaries of the same parent company. Under the Franchise Administration Agreement between the Company and JCB, the Company is to pay franchise administrative fees to JCB in the amount equal to 98% of the Company's annual gross revenue, which amounted to \$1,860,473 and \$1,953,352 for the years ended December 31, 2023 and 2022, respectively. JCB's franchise administration fees include franchise personnel staffing, franchise advertising, direct franchise expenses, legal expense including settlement, license/trademark fees, and monthly general bank fees. Franchise administration fees exclude income taxes and specific bank fees. In certain situations, JCB may advance payments on behalf of franchisees for monthly royalty fees.

# EAGLERIDER, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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#### NOTE 3 - RELATED-PARTY TRANSACTIONS (CONTINUED)

EagleRider Finance, LLC (“ERF”) assists franchisees by providing financing directly. ERF is a wholly-owned subsidiary of JCB. In cases where the initial franchise fee is financed by ERF, the funds are remitted by ERF directly to the Company.

The Company had related-party receivables of \$789,563 and \$756,473 as of December 31, 2023 and 2022, respectively, due from JCB.

#### NOTE 4 - INCOME TAXES

The components of the Company’s income tax expense from operations for the years ended December 31 consisted of:

	2023	2022
Current:		
Federal	\$ 7,805	\$ 8,203
State	800	800
Deferred:		
Federal	--	--
State	--	--
<b>Provision for Income Taxes</b>	<b><u>\$ 8,605</u></b>	<b><u>\$ 9,003</u></b>

For the year ended December 31, 2023, income tax expense differs from the amounts computed by applying the expected federal statutory rate for this company of 21% to income before income taxes primarily as a result of state income taxes.

#### NOTE 5 - COMMITMENTS AND CONTINGENCIES

The franchise agreements entered into by the Company require the Company to make available to a purchaser of a franchise initial training in the operational aspects of a motorcycle-renting outlet. The Company provides this initial training in addition to ongoing training, marketing, consulting, and accounting services on a consulting basis.

The Company is subject to various legal proceedings from time to time as part of its business. As of December 31, 2023, the Company was not a party to any formal legal proceedings or threatened legal proceedings that management believes will have a material adverse effect on the Company’s financial position, results of operations, or cash flows.

# **EAGLERIDER, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

### **FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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#### **NOTE 6 - SUBSEQUENT EVENTS**

The Company has evaluated subsequent events through February 16, 2024, the date the financial statements were available to be issued and management has determined that no subsequent events, require adjustment to, or disclosure in, the accompanying financial statements.

**EAGLERIDER, INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

# EAGLERIDER, INC.

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholder of  
EagleRider, Inc.

### *Opinion*

We have audited the financial statements of EagleRider, Inc., which comprise the balance sheets as of December 31, 2022 and 2021 and the related statements of income, changes in shareholder's equity, and cash flows for the years then ended, and the related notes to the financial statements. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of EagleRider, Inc. as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of EagleRider, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about EagleRider, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of EagleRider, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about EagleRider, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audits.

*Marcum LLP*

Costa Mesa, CA  
February 17, 2023

# EAGLERIDER, INC.

## BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

	2022	2021
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ --	\$ --
Accounts receivable	11,010	24,908
Deferred tax asset	168	168
Due from affiliates	<u>756,473</u>	<u>711,714</u>
<b>Total Current Assets</b>	<u>767,651</u>	<u>736,790</u>
<b>Total Assets</b>	<u>\$ 767,651</u>	<u>\$ 736,790</u>
<b>Liabilities and Shareholder's Equity</b>		
<b>Shareholder's Equity</b>		
Common stock: 1,000,000 no par value shares authorized, 135,024 shares issued and outstanding	\$ 276,021	\$ 276,021
Retained earnings	<u>491,630</u>	<u>460,769</u>
<b>Total Shareholder's Equity</b>	<u>767,651</u>	<u>736,790</u>
<b>Total Liabilities and Shareholder's Equity</b>	<u>\$ 767,651</u>	<u>\$ 736,790</u>

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

# EAGLERIDER, INC.

## STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<b>Franchise Revenues</b>	<u>\$1,993,216</u>	<u>\$1,061,451</u>
<b>Operating Expenses</b>		
Franchise administration fees paid to affiliate	<u>1,953,352</u>	<u>1,040,223</u>
<b>Total Operating Expenses</b>	<u>1,953,352</u>	<u>1,040,223</u>
<b>Income from Operations Before Provision for Income Taxes</b>	39,864	21,228
<b>Provision for Income Taxes</b>	<u>9,003</u>	<u>5,090</u>
<b>Net Income</b>	<u>\$ 30,861</u>	<u>\$ 16,138</u>

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

# EAGLERIDER, INC.

## STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	Common Stock		Retained	Total
	Shares	Amount	Earnings	Shareholder's
				Equity
<b>Balance - January 1, 2021</b>	135,024	\$ 276,021	\$ 444,631	\$ 720,652
Net income	<u>--</u>	<u>--</u>	<u>16,138</u>	<u>16,138</u>
<b>Balance - December 31, 2021</b>	135,024	276,021	460,769	736,790
Net income	<u>--</u>	<u>--</u>	<u>30,861</u>	<u>30,861</u>
<b>Balance - December 31, 2022</b>	<u>135,024</u>	<u>\$ 276,021</u>	<u>\$ 491,630</u>	<u>\$ 767,651</u>

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

# EAGLERIDER, INC.

## STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
<b>Cash Flows From Operating Activities</b>		
Net income	\$ 30,861	\$ 16,138
Adjustments to reconcile net income to net cash used in operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable	13,898	(15,077)
Due from affiliates	(44,759)	(1,061)
Total Adjustments	(30,861)	(16,138)
<b>Net Cash Used in Operating Activities</b>	--	--
<b>Net Decrease in Cash</b>	--	--
<b>Cash - Beginning</b>	--	--
<b>Cash - Ending</b>	\$ --	\$ --
 <b>Supplemental Disclosure of Cash Flow Information</b>		
Cash paid during the years for:		
Income Taxes	\$ --	\$ --

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

# EAGLERIDER, INC.

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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### NOTE 1 - DESCRIPTION OF BUSINESS

EagleRider, Inc. (the “Company”) franchises, and owns through an affiliated company, sports and recreational motor vehicle rental facilities (“Outlets”) throughout the United States and in international markets. Outlets may be adjuncts to existing motor vehicle sales dealerships, drop-in facilities within resort venues, or freestanding businesses. Outlets are authorized to feature all-terrain vehicles, scooters, on or off-road motorcycles or automobiles, vans, or truck rentals. Outlets may also sell related retail items. At December 31, 2022, the Company had 49 operating Outlets. Of these, 30 are located in the U.S. and 19 Outlets are located in other countries. Revenue derived from international Outlets was \$75,447 and \$39,765 during the years ended December 31, 2022 and 2021, respectively. The Company’s affiliate, J.C. BroMac Corporation (“JCB”), owns the principal identifying mark, EAGLERIDER®, and other intellectual property used in the franchise system. JCB operates and/or is affiliated with a total of 78 Outlets as of December 31, 2022. JCB and the Company are wholly-owned subsidiaries of the same parent company.

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *USE OF ESTIMATES*

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires 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 statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### *ACCOUNTS RECEIVABLE*

Accounts receivable are stated at the amount the Company expects to collect from outstanding balances. The Company provides for probable uncollectible amounts through a charge to earnings and a credit to the allowance for doubtful accounts based on its assessment of the status of individual accounts. Amounts that are still outstanding after the Company has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. No allowance for doubtful accounts has been provided since, in management’s opinion, it is not probable that any material accounts are uncollectible, individually or in the aggregate.

# EAGLERIDER, INC.

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *FAIR VALUE OF FINANCIAL INSTRUMENTS*

The carrying amount of the Company's cash, accounts receivable, initial franchise fee deposits, and amounts due to affiliate approximates fair value because of the short-term nature of those instruments.

#### *INCOME TAXES*

The Company records income taxes in accordance with Accounting Standards Codification ("ASC") Topic 740, *Income Taxes*, under which deferred income taxes arise from timing differences in reporting certain revenues and expenses for financial reporting and income tax purposes. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amount of existing assets and liabilities and their respective tax bases. Such 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. A valuation allowance is established, when necessary, to reduce deferred income tax assets to the amount expected to be realized.

The Company files its tax returns as part of a consolidated group, therefore for these separate company financial statements, the ASC 740 income tax disclosures are presented under ASC 740-10-30-27 on the separate return method. The Company determined it is not necessary to record unrecognized tax benefits on the separate company method.

The Company also complies with ASC 740-10 as it relates to uncertain tax positions. The guidance requires that the Company recognize the impact of a tax position in its financial statements if the position is more likely than not to be sustained upon examination and on the technical merits of the position.

The Company did not have a material amount of unrecognized tax benefits as of December 31, 2022 or 2021 and deemed it appropriate to not change consolidated amounts of unrecognized tax benefits on separate company financial statements. The Company does not anticipate any material change in the total amount of unrecognized tax benefits will occur in the next twelve months.

The Company's practice is to recognize interest and/or penalties related to income tax matters in income tax expense. There were no penalties or interest related to income tax matters for the years ended December 31, 2022 or 2021.



# EAGLERIDER, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *CONCENTRATIONS OF CREDIT RISK*

At December 31, 2022 two franchisees represent approximately 12% and 10% respectively, of the Company's revenue, these locations have a receivable amount of \$2,266 and \$2,404 as of December 31, 2022.

At December 31, 2021 two franchisees represented approximately 14% and 13% respectively, of the Company's revenue, these locations have a receivable amount of \$2,575 and \$4,543 as of December 31, 2021.

The Company's cash deposits are placed in a high-credit-quality financial institution. At times, deposits in this financial institution may be in excess of federally insured limits. The Company believes that there is no significant risk with respect to such deposits.

##### *REVENUE RECOGNITION*

Recurring royalty fees based on rentals and merchandise sales, which comprise a majority of the Company's revenues, are recognized in accordance with ASC 606-10-55-65. Revenue is recognized for these sales-based royalties at the time the sale has occurred, which is when the Company has satisfied its performance obligation. In certain circumstances, international monthly royalty fees are waived in exchange for promotional agreements to increase customer awareness.

The Company collects initial franchise fees when franchise agreements are signed and recognizes the initial franchise fees as revenue when the franchise is opened, which is when the Company has satisfied its performance obligation by performing substantially all initial services required by the franchise agreement. Franchise fees collected from franchisees but not yet recognized as revenue are recorded as initial franchise fees on deposit on the Company's balance sheets.

Franchise revenues for the years ended December 31, 2022 and 2021 were comprised of the following:

	<u>2022</u>	<u>2021</u>
Monthly royalty fees - JCB owned Outlets	\$ 1,631,528	\$ 716,249
Monthly royalty fees - 3 <sup>rd</sup> party owned Outlets	361,688	337,202
Initial franchise fees	<u>--</u>	<u>8,000</u>
<b>Franchise Revenues</b>	<b><u>\$ 1,993,216</u></b>	<b><u>\$ 1,061,451</u></b>

# EAGLERIDER, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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#### NOTE 3 - RELATED-PARTY TRANSACTIONS

The Company conducts business with its affiliate, JCB. The Company and JCB are wholly-owned subsidiaries of the same parent company. Under the Franchise Administration Agreement between the Company and JCB, the Company is to pay franchise administrative fees to JCB in the amount equal to 98% of the Company's annual gross revenue, which amounted to \$1,953,352 and \$1,040,223 for the years ended December 31, 2022 and 2021, respectively. JCB's franchise administration fees include franchise personnel staffing, franchise advertising, direct franchise expenses, legal expense including settlement, license/trademark fees, and monthly general bank fees. Franchise administration fees exclude income taxes and specific bank fees. In certain situations, JCB may advance payments on behalf of franchisees for monthly royalty fees.

EagleRider Finance, LLC ("ERF") assists franchisees by providing financing directly. ERF is a wholly-owned subsidiary of JCB. In cases where the initial franchise fee is financed by ERF, the funds are remitted by ERF directly to the Company.

The Company had related-party receivables of \$756,473 and \$711,714 as of December 31, 2022 and 2021, respectively, due from JCB.

#### NOTE 4 - INCOME TAXES

The components of the Company's income tax expense from operations for the years ended December 31 consisted of:

	2022	2021
Current:		
Federal	\$ 8,203	\$ 4,290
State	800	800
Deferred:		
Federal	--	--
State	--	--
<b>Provision for Income Taxes</b>	<b><u>\$ 9,003</u></b>	<b><u>\$ 5,090</u></b>

For the year ended December 31, 2022, income tax expense differs from the amounts computed by applying the expected federal statutory rate for this company of 21% to income before income taxes primarily as a result of state income taxes.

# **EAGLERIDER, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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### **NOTE 5 - COMMITMENTS AND CONTINGENCIES**

The franchise agreements entered into by the Company require the Company to make available to a purchaser of a franchise initial training in the operational aspects of a motorcycle-renting outlet. The Company provides this initial training in addition to ongoing training, marketing, consulting, and accounting services on a consulting basis.

The Company is subject to various legal proceedings from time to time as part of its business. As of December 31, 2022, the Company was not a party to any formal legal proceedings or threatened legal proceedings that management believes will have a material adverse effect on the Company's financial position, results of operations, or cash flows.

### **NOTE 6 - SUBSEQUENT EVENTS**

The Company has evaluated subsequent events through February 17, 2023, the date the financial statements were available to be issued and management has determined that no subsequent events, require adjustment to, or disclosure in, the accompanying financial statements.

**EXHIBIT J  
(TO DISCLOSURE DOCUMENT)**

**ADDENDUM TO DISCLOSURE DOCUMENT:  
STATE-SPECIFIC DISCLOSURES**

## CALIFORNIA

To the extent the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516 or the California Franchise Relations Act, Cal. Bus. & Prof. Code §§20000-20043 applies, the terms of this Addendum apply.

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.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AND COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT [WWW.DFPI.CA.GOV](http://WWW.DFPI.CA.GOV).

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.

### Item 3, Additional Disclosure:

Neither we nor any person described in Item 2 of the Disclosure Document is subject to any currently effective order of any National Securities Association or National Securities Exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq. suspending or expelling such persons from membership in such association or exchange.

### Item 6, Additional Disclosure:

The highest interest rate allowed by law in California is 10% annually.

### Item 17, Additional Disclosures:

The franchise agreement requires franchisee to execute a general release of claims upon renewal or transfer of the franchise agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order there under is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043)).

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.

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. §101 et seq.)

The franchise agreement requires binding arbitration. The arbitration will occur at Los Angeles, California, with the costs being borne according to the Rules for Commercial Arbitration of the American Arbitration Association.

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.

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.

## **HAWAII**

To the extent the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§482E-1 – 482E-12 applies, the terms of this Addendum apply.

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 FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT 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.

## **NEW YORK**

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

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 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 CAN NOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT 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:

With the exception of what is stated above, the following applies 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. Item 5, Additional Disclosures.

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

4. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for a franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

5. 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.

6. 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 the franchisee by Article 33 of the General Business Law of the State of New York

7. Franchise Questionnaires and Acknowledgements. 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.

8. Receipts. Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.



**EXHIBIT K  
(TO DISCLOSURE DOCUMENT)**

**AMENDMENT TO  
EAGLERIDER FRANCHISE AGREEMENT  
(RENEWAL)**

EAGLERIDER, INC. (“**Franchisor**”) and \_\_\_\_\_ (“**Franchisee**”) entered into that certain Franchise Agreement (“**Agreement**”) on \_\_\_\_\_, 20\_\_\_\_, and desire to supplement and amend certain terms and conditions of such Agreement by this Amendment to EAGLERIDER Franchise Agreement (“**Amendment**”). The parties therefore agree as follows:

1. **Initial Franchise Fee.** Section 6.1 of the Agreement is deleted in its entirety.
2. **Quality Control.** Sections 7.3.1 and 7.3.2 of the Agreement are deleted in their entirety. The first sentence of Section 7.3.10 of the Agreement is deleted.
3. **Pre-Opening Advertising.** Section 7.5.1 of the Agreement is deleted in its entirety.
4. **Training.** The first four (4) sentences of Section 5.2 of the Agreement are deleted. The first sentence of Section 6.6 of the Agreement is deleted.
5. **Renewal Fee.** In accordance with Section 6.9 of the Agreement, when Franchisee signs the Agreement, Franchisee must pay Franchisor a renewal fee equal to fifty percent (50%) of the then-current initial franchise fee. The renewal fee is nonrefundable.
6. **Outlet Upgrades.** Section 7.3.7 is amended to include the following:

Within \_\_\_\_\_ (\_\_\_\_) days of the date of this Amendment, Franchisee agrees to upgrade and remodel the EAGLERIDER Outlet and its operations as described on Exhibit A to this Amendment.
7. **Release.** Simultaneously with the execution of the Agreement and this Amendment, Franchisee will sign Franchisor’s current form of Special Release of Claims.
8. **Effectiveness of Agreement.** The terms and conditions of this Amendment are in addition to or in explanation of the existing terms and conditions of the Agreement and shall prevail over and supersede any inconsistent terms and conditions thereof.

Fully executed this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**EAGLERIDER, INC.**

**FRANCHISEE**

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT A**  
**OUTLET UPGRADES**

1. \_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
\_\_\_\_\_
3. \_\_\_\_\_  
\_\_\_\_\_

**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:

<b>State</b>	<b>Effective Date</b>
California	
Hawaii	
New York	

Other states may require registration, filing or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

**EXHIBIT L  
(TO DISCLOSURE DOCUMENT)**

**RECEIPT  
(KEEP THIS COPY FOR YOUR RECORDS)**

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 we offer you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the signing of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the signing of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If we do 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 state agency listed on Exhibit A.

The franchisor is EagleRider, Inc., located at 11860 S. La Cienega Boulevard, Hawthorne, California 90250, Telephone (310) 536-6777.

Issuance Date: April 16, 2024, as amended May 28, 2024

We authorize the following person to act as our franchise seller (indicate name, address and phone number):  
\_\_\_\_\_, 11860 S. La Cienega Boulevard, Hawthorne, CA 90250; 310-536-6777.

We authorize the agents listed in Exhibit A to this disclosure document to receive service of process for us.

I received a disclosure document dated April 16, 2024, as amended May 28, 2024, that included the following exhibits:

- |    |  |    |   |
|----|--|----|---|
| A. | State Administrators/Agents for Service of Process     | G. | List of Current Franchisees                   |
| B. | Franchise Agreement                                    | H. | Franchisees Who Have Left the System          |
| C. | EagleRider Finance Motorcycle Lease and Lease Guaranty | I. | Financial Statements                          |
| D. | Operations Manual Table of Contents                    | J. | State Specific Addenda to Disclosure Document |
| E. | Special Release of Claims                              | K. | Renewal Amendment to Franchise Agreement      |
| F. | Nondisclosure and Noncompetition Agreement             | L. | Receipts                                      |

Date: \_\_\_\_\_  
(Do not leave blank)

\_\_\_\_\_  
Signature of Prospective Franchisee

\_\_\_\_\_  
Print Name

(REG 5/28/2024)

**RECEIPT**  
**(RETURN THIS COPY TO US)**

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 we offer you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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| E. | Special Release of Claims                              | K. | Renewal Amendment to Franchise Agreement      |
| F. | Nondisclosure and Noncompetition Agreement             | L. | Receipts                                      |

Date: \_\_\_\_\_  
(Do not leave blank)

\_\_\_\_\_  
Signature of Prospective Franchisee

\_\_\_\_\_  
Print Name

You may return the signed receipt either by signing, dating and mailing it to 11860 S. La Cienega Boulevard, Hawthorne, California 90250 or emailing it to [franchise@eaglerider.com](mailto:franchise@eaglerider.com).