

## FRANCHISE DISCLOSURE DOCUMENT

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|  | <p><b>FREEDOM FRANCHISE SYSTEMS, LLC</b></p> <p>A Florida Limited Liability Company<br/>10975 Hughey Kimal Drive<br/>Venice, FL 34292<br/>Phone: (941) 451-8756<br/>Email: <a href="mailto:Scott.Ward@freedomboatclub.us">Scott.Ward@freedomboatclub.us</a><br/><a href="http://www.freedomboatclub.com">www.freedomboatclub.com</a></p> |
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Freedom Boat Club businesses provide a membership-only boat club that offers its members the usage of boats at individual locations for designated time periods within a designated territory based on an initiation fee and monthly membership fees (“FBC Business(es)”), operated at approved locations (each a “FBC Location”).

The total investment necessary to begin operation of a Freedom Boat Club franchised business is between \$263,500 and \$622,500. This includes \$50,000 to \$465,000 that must be paid to the franchisor or its affiliate(s).

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 Scott Ward, 10975 Hughey Kimal Drive, Venice, FL 34292 and (941) 451-8756.

The terms of your contract will govern your franchise relationship. Don’t rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or 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, DC 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 14, 2026**



### **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:

| <b>QUESTION</b>                                                                          | <b>WHERE TO FIND INFORMATION</b>                                                                                                                                                                                                                                  |
|------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <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 or <u>Exhibit F</u> . |
| <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 support to my business?</b> | Item 21 or <u>Exhibit D</u> includes 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 Freedom Boat Club 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 a Freedom Boat Club franchisee?</b>                              | Item 20 or <u>Exhibit F</u> 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 franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in [Exhibit A](#).

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



### **Special Risks to Consider About *This* Franchise**

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Florida. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Florida than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **Mandatory Minimum Payments.** You must make minimum royalty and other 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.





## NOTICE REQUIRED BY

### STATE OF MICHIGAN

**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 the 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 terms except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the 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 six (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 or under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
  - (i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
  - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.



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

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

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

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

**The fact there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.**

Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, 670 Williams Building, Lansing, Michigan 48913, telephone (517) 373-7117.

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.

**THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.**



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**ITEM 1**  
**THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES**

To simplify the language in this Franchise Disclosure Document, “FFS” and “we,” “us,” and “our” mean Freedom Franchise Systems, LLC. “You,” “your,” and “Franchisee” mean the person, and its owners if the Franchisee is a business entity, who buys the franchise from FFS.

**The Franchisor**

FFS is a Florida limited liability company formed on February 14, 2011. We do business under the names Freedom Franchise Systems, LLC and “Freedom Boat Club.” We do not conduct business under any other name or in any other line of business, and we do not offer franchises in any other line of business. Our principal business address is 10975 Hughey Kimal Drive, Venice, FL 34292. We do not operate a business of the type being offered. We offer and sell the FBC Businesses described in this Franchise Disclosure Document and have done so since March 2011.

**Parents, Predecessors, and Affiliates**

On May 21, 2019, Brunswick Corporation (“Brunswick”), through its wholly owned subsidiary Brunswick Boat Club Holdings, Inc. (“Holdings”), acquired Freedom Outdoor Delaware, LLC (“FOD”) and thereby indirectly acquired us. Brunswick is our ultimate parent company, and Holdings and FOD are our indirect parent entities. FOD shares our principal place of business. Holdings and Brunswick share a principal business address at 26125 N. Riverwoods Boulevard, Mettawa, Illinois 60045. Brunswick, through various divisions and units, sells boats and engines to franchisees and offers a public-facing boater training program, currently in a developmental pilot-stage, with select franchisees in Florida. Brunswick also indirectly offers boat financing to franchisees, through Brunswick Acceptance Company, LLC (“BAC”), the joint venture Brunswick has entered into with Wells Fargo Commercial Distribution Finance, LLC (“CDF”).

We have one predecessor, Freedom Franchise Sales LLC, a Florida limited liability company (“FF Sales”), formed on April 22, 2003 with a principal business address of 1538 Stickney Point Road, Sarasota, Florida 34231. FF Sales offered franchises similar to the franchises granted under this Franchise Disclosure Document from April 2003 to March 2011, at which time there were 49 franchisees. We purchased the franchise assets of FF Sales on March 7, 2011.

None of our affiliates have offered franchises in other lines of business. One affiliate, Club De Navegacion Freedom España SL f/k/a Fanautic Club, S.L.U. (“SLU”), offered membership-only boat club franchises similar to the type offered under this Franchise Disclosure Document in Spain from December 2013 to July 2021 and sold 14 franchises there. SLU no longer offers new franchises. No other affiliate has offered franchises similar to the type offered under this Franchise Disclosure Document. The following affiliates operate businesses similar to the type of business you will operate and/or provide products or services to franchisees:

| Affiliate Name                         | Services Offered to Franchisees / FBC Locations Operated | Principal Business Address                   |
|----------------------------------------|----------------------------------------------------------|----------------------------------------------|
| Another Day in Paradise Boat Club, LLC | Owns and operates 33 FBC Locations*                      | 10975 Hughey Kimal Drive<br>Venice, FL 34292 |



| Affiliate Name                           | Services Offered to Franchisees / FBC Locations Operated                                                                                   | Principal Business Address                                                    |
|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| CLUB DE NAVEGACION FREEDOM ESPAÑA SL     | Owens and operates 15 FBC Locations in Spain*                                                                                              | calle del Gremi de Cirugians Barbers, 48 1 C, Palma del Mallorca, 07009 Spain |
| Freedom Boat Club, LLC                   | Owens and operates 86 FBC Locations* and assists with training.                                                                            | 10975 Hughey Kimal Drive Venice, FL 34292                                     |
| Freedom Boat Club Chicago, LLC           | Owens and operates 4 FBC Locations*                                                                                                        | 318 W. Adams Street, # 1400, Chicago, IL, 60606                               |
| Freedom Boat Club Canada Limited         | Owens and operates 4 FBC Locations in Canada*                                                                                              | 475 Unwin Ave., Toronto, M4M3M2 3m2, Ontario, Canada                          |
| Marina Boat Club, LLC                    | Owens and operates 2 FBC Locations*                                                                                                        | 10975 Hughey Kimal Drive Venice, FL 34292                                     |
| Marine Power International, LLC          | Owens and operates 4 FBC Locations in Australia*                                                                                           | 41-71 Bessemer Drive, Dandenong South VIC, 3715, Australia                    |
| Boateka, Inc.                            | Purchases used boats and used inventory from franchisees                                                                                   | 26125 N. Riverwoods Blvd # 500, Mettawa, IL 60045                             |
| Boston Whaler, Inc.                      | Sells boats to franchisees                                                                                                                 | 100 Whaler Way, 4121 U.S. Highway 1, Edgewater, FL 32141                      |
| Brunswick Family Boat Co, Inc.           | Sells boats to franchisees                                                                                                                 | 26125 N. Riverwoods Blvd., Suite 500, Mettawa, IL, 60045                      |
| Brunswick Leisure Boat Company           | Sells boats to franchisees                                                                                                                 | 1111 N. Hadley Road Ft. Wayne, IN 46804                                       |
| Brunswick Product Protection Corporation | Offers extended warranties and service contracts which franchisees may elect to purchase to include with their sale of retired fleet boats | 26125 N. Riverwoods Blvd # 500, Mettawa, IL 60045                             |
| Brunswick Strategic Insurance Group, LLC | Captive insurance company that reinsures a portion of the unified marine general liability and boat club coverage                          | 26125 N. Riverwoods Blvd., # 500, Mettawa, IL 60045                           |



| Affiliate Name                         | Services Offered to Franchisees / FBC Locations Operated                                                                                  | Principal Business Address                                   |
|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| Freedom Business Services, LLC (“FBS”) | Provides franchisees with access to outside bookkeeping, fleet management vendors, and other marine industry programs including BoatClass | 10975 Hughey Kimal Drive<br>Venice, FL 34292                 |
| Flite Board USA, LLC                   | Sells eFoil electric hydrofoils to franchisees                                                                                            | 1150 Ballena Blvd<br>Alameda, CA 94501                       |
| Land ‘N’ Sea Distributing, Inc.        | Sells parts and accessories to franchisees                                                                                                | 3131 N. Andrews Avenue Extension,<br>Pompano Beach, FL 33064 |
| Thunder Jet Boats, Inc.                | Sells boats to franchisees                                                                                                                | 1401 Bridget Street<br>Clarkston, WA 99403                   |

\*These FBC Locations are counted as of the Issuance Date of this Franchise Disclosure Document and not as of our fiscal year end.

Except as described above, neither we nor any predecessor, or disclosed affiliate have engaged in any other line of business or offered franchises in any other line of business.

Our agent for service of process in Florida is United Agent Group, Inc., 801 US Highway 1, North Palm Beach, FL 33408. Our agents for service of process for other states are identified by state in Exhibit A. If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

### The Franchise

We offer franchises (“Franchise(s)”) for FBC Businesses. FBC Businesses operate under our proprietary system (“System”), which consists of our proprietary reservation program, certain specified equipment, instructional and operational manuals, training courses, know-how, sales and merchandising methods, advertising techniques, recordkeeping, and business management methods. You will operate your FBC Business under the name and service mark “FREEDOM BOAT CLUB,” and any other trademarks, trade names, service marks, and related logos as may be developed and authorized by us (“Proprietary Marks”).

FBC Businesses sell memberships to members (“Members”) for the use of the FBC Businesses’ vessels at FBC Locations for designated time periods based on an initiation fee and monthly membership fees. Members enter into member agreements with franchisees under which they are entitled to reserve the use of a vessel subject to availability and the terms and conditions of the FBC Business and each individual member agreement. The cost to use the vessel is included in the membership price. Members are responsible for their own fuel costs. A typical FBC Business will have an FBC Location at or near a large body of water and in a geographic area suitable for the operation of an FBC Business. Currently, the vessels used at FBC Businesses do not include larger vessels (vessels that exceed 26 feet in length). If you choose to use larger vessels in your FBC Business or you choose a location which may require the use of larger vessels, you will need our prior written consent and you will have additional expenses and



may require additional licenses beyond those described below. The membership program for FBC Businesses allows for reciprocity and member transfers among the membership programs of different FBC Businesses (according to procedures and specifications set forth in the “Brand Standards Manual” (See Item 8) and in individual member agreements). We offer the opportunity to convert an existing independent business to a Franchise if the existing business provides services and products similar to those offered by FBC Businesses (“Conversion Owner(s)”). To be eligible to convert, you must have operated your business for at least six months at the time of conversion.

You will operate your FBC Business under our standard franchise agreement (the “Franchise Agreement”), a copy of which is attached to this Franchise Disclosure Document as Exhibit B.

We may also grant you the right to develop one or more additional FBC Locations beyond your initial FBC Location under a single Franchise Agreement (each, a “Satellite Location”) under a specified development schedule (“Development Schedule”) within your protected territory. You would sign your Franchise Agreement along with a development addendum in the form attached to this Franchise Disclosure Document in Exhibit H (the “Development Addendum”). Under the Development Addendum, you will be given a larger protected territory than that of a normal Franchise. If you don’t meet your Development Schedule, your protected territory will decrease in size as agreed under the Development Addendum.

We may also grant you the right to open and operate one or more Satellite Locations within your protected territory. At the time you decide to open a Satellite Location (whether or not subject to a Development Addendum), you will be required to sign the then-current standard satellite amendment which may differ from the current satellite amendment attached to this Franchise Disclosure Document in Exhibit H (the “Satellite Amendment”). In this case, you will typically receive a smaller protected territory, but the size of the territory will not be modified if you fail to open the Satellite Location(s). When you sign the Satellite Amendment, you will also be required to pay the fee described in Item 6 for the right to open the Satellite (“Satellite Location Fee”) and you and each of your owners must sign a general release of all claims. You will not be required to pay the Satellite Location Fee, or any additional fees for the Satellite Location until you sign the Satellite Amendment. If you wish to operate a Satellite Location in conjunction with a social boating or yachting club within your protected territory and we approve: (i) you or one of your owners must become a member of the social boating or yachting club; (ii) you or one of your owners must pay all membership fees to the social boating or yachting boat club; and (iii) the social boating or yachting club must also approve of the Satellite Location. Your Satellite Location Fee will be reduced by 50% and the Satellite Location will only be able to offer memberships to members of the social boating club or yacht club. The costs and fees associated with a Satellite Location depends on the type, location and configuration of the Satellite Location.

### Market and Competition

FBC Businesses service the needs of the general public. The demand for our services is not seasonal, but may be affected by weather in certain markets. The general market for the services FBC Businesses offer is well developed and highly competitive. You will face competition from, among others, companies providing boat rental, fractional boat ownership, yacht timeshares, and other marina-based boat clubs.

### Industry-Specific Laws

FBC Businesses are subject to all federal, state, maritime and local laws, ordinances, and regulations pertaining to the operation of watercraft vehicles and businesses in general. You may be required to obtain certain licenses related to the operation, maintenance and storage of the vessels in your





FBC Business. You may be required to comply with additional regulations if we allow you to use larger vessels in your FBC Business.

You must comply with applicable local, state, and federal laws, including the Americans with Disabilities Act, to the extent applicable to your FBC Business. You may also be subject to health and safety requirements and to licensing, permitting, or operational requirements that apply to boating instruction, waterfront operations, and customer supervision. Some states and municipalities have laws and regulations regarding the rental of watercraft including livery laws that may extend to the FBC Businesses. Some state and local laws may regulate the length and terms of membership contracts, advertising and limitations on pre-opening sales. You may also have to obtain a bond to protect pre-paid membership fees you collect and there may be buyer's remorse cancellation rights and other types of cancellation rights. You agree to comply with all applicable laws pertaining to the privacy of customer, employee, and transactional information.

You are responsible for investigating, understanding, and complying with all applicable laws, regulations, and requirements applicable to you and your FBC Business. You should consult with a legal advisor about whether these and/or other requirements apply to your FBC Business. Failure to comply with laws and regulations is a material breach of the Franchise Agreement.

## **ITEM 2** **BUSINESS EXPERIENCE**

### **President: Cecil Cohn**

Mr. Cohn is our President in Mettawa, Illinois and has been since October 2020. Mr. Cohn previously served as our Chairman in Mettawa, Illinois, from May 2019 until October 2020. In Mr. Cohn's current capacity as President, Freedom Boat Club Network at Brunswick Corporation in Mettawa, Illinois, he also serves as President for Freedom Outdoor Delaware, LLC, Freedom Boat Club, LLC and Freedom Marine Sales, LLC, in Mettawa, Illinois and has done so since October 2020. Previously, Mr. Cohn served as Chairman of those same entities from May 2019 until October 2020. Mr. Cohn joined Brunswick Corporation in July 2006, serving in roles of increasing responsibility, most recently as President for Crestliner Boats in Otsego, Minnesota from April 2013 to April 2016 and as Vice President, Brunswick Financial Services Corporation in Mettawa, Illinois from April 2016 to December 2023.

### **Chief Financial Officer: Navdeep Anand**

Mr. Anand is our Chief Financial Officer in Mettawa, Illinois, and has been since March 2024. Mr. Anand was previously our Director of Finance, Business Acceleration in Mettawa, Illinois from June 2022 to March 2024. Prior to that, Mr. Anand was our Senior Finance Manager in Mettawa, Illinois from May 2020 to June 2022. Mr. Anand was our Finance Manager in Mettawa, Illinois from June 2019 to May 2022. Prior to that, Mr. Anand was an analyst for Brunswick Corporation in Mettawa, Illinois from August 2016 to June 2019.

### **Vice President and General Manager: Scott Ward**

Mr. Ward has been our Vice President and General Manager in Venice, Florida since August 2024. He also serves within Brunswick Corporation as the Vice President and General Manager of Freedom Boat Club, LLC in Venice, Florida since March 2020.





Franchise Development Manager: Jim Blaze

Mr. Blaze is our Franchise Development Manager in LaGrange, California and has been since October 2020.

Franchise Development Manager: Tim Martin

Mr. Martin is our Franchise Development Manager in Williamsport, Pennsylvania and has been since October 2021. Mr. Martin worked as National Sales Manager with Fox Pool/Cardinal Systems, Inc in York, Pennsylvania from February 2021 to October 2021.

**ITEM 3**  
**LITIGATION**

FBC Marine Group, LLC, et al. v. Freedom Franchise Systems, LLC, et al. CASE-50-2018-CA-003465, Circuit Court of the 15th Judicial Circuit, Palm Beach County, Florida

On March 26, 2018, Plaintiff FBC Marine Group, LLC, a former franchisee, filed an action against FFS, Freedom Outdoor Adventures, LLC (our former parent)(“FOA”), Freedom Boat Club, LLC and John Giglio (our former President) alleging deceptive and unfair trade, Florida Franchise Act violations, fraudulent inducement, and negligent misrepresentation claims in connection with the termination of Plaintiff’s three franchise agreements after Plaintiff failed to perform in accordance with the terms of the franchise agreements. Plaintiff was seeking declaratory judgment and damages in excess of \$15,000, interest, costs, and other relief. Defendants denied all liability and the parties subsequently held mediation. At mediation, the parties executed a mediated settlement agreement on January 3, 2019 (“MSA”). The MSA included dismissals with prejudice as to two prior lawsuits that had previously been dismissed without prejudice (together the “Dismissed Suits”), as follows:

Baja Marine, LLC et al. v. Freedom Franchise Systems, LLC, et al.

CASE-50-2016-CA-007600, Circuit Court of the 15th Judicial Circuit, Palm Beach County, Florida. This case was previously pending between Baja Marine, LLC, Liberty Associates, LC and Joseph Wortley v. John Giglio, FOA, FFS, Freedom Boat Club, LLC and Freedom Marine Sales, LLC involving claims made by a former franchisee and was previously dismissed.

Freedom Franchise Systems, LLC v. FBC Marine Group, LLC & William Gates

CASE-50-2016-CA-007600, Circuit Court of the 12th Judicial Circuit, Sarasota County, Florida. This case was brought by FFS against FBC Marine Group, LLC and William Gates, involving claims against a former franchisee to cease using FFS’ trademarks and proprietary information and was previously voluntarily dismissed on March 13, 2018.

The MSA provided for a \$700,000 settlement payment collectively, by FFS and all affiliated entities to FBC Marine Group, LLC. A total of \$52,000 related to the above-described litigation, including the Dismissed Suits: \$50,000 of the total related to the above-described litigation, \$1,000 of the total for confidentiality and non-disparagement provisions, and \$1,000 of the total for releases. \$648,000 of the total was related to the buyout of certain purchase option rights FBC Marine Group, LLC and its owners had negotiated to purchase certain assets of FFS. Each of the above cases, including the Dismissed Suits, has been dismissed with prejudice following execution of the MSA.

Other than these actions, 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*

You must pay us an initial franchise fee (“Initial Franchise Fee”) of \$50,000 when you sign the Franchise Agreement. Each Franchise Agreement will grant you the right to operate one FBC Business. The Initial Franchise Fee is payment for all of our pre-opening assistance that we provide to allow you to open your FBC Business and also offsets some of our franchisee recruitment expenses. Initial Franchise Fees are due in full when you sign the Franchise Agreement. The Initial Franchise Fee is earned by us when paid and is not refundable. All Initial Franchise Fees are uniform, except as provided below. We offer reduced Initial Franchise Fees under the following circumstances:

- (1) If you are a Conversion Owner, you will pay a non-refundable reduced Initial Franchise Fee when the Franchise Agreement is executed as determined by the following formula:

Conversion Owners will receive a discount off of the Initial Franchise Fee based on their existing members’ dues at the time they enter into the Franchise Agreement. Conversion Owners will receive a reduction equal to 6% of the last full month’s membership dues multiplied by 12, with a maximum discount of up to \$25,500 off the Initial Franchise Fee. We did not sell any conversion Franchises during our last fiscal year ended December 31, 2025.

- (2) If you are already a franchisee and purchase additional Franchises that border the protected territory of an FBC Business you operate, you will receive a discount of 50% off the then-current Initial Franchise Fee that we are charging at the time of purchase.
- (3) We offer a discount to United States veterans. Under this program, honorably discharged veterans of the United States Armed Forces and their spouses receive a 10% discount on our Initial Franchise Fee. The veteran discount may be combined with other discounts we offer unless we state otherwise in writing at the time of sale.

During our last fiscal year, ended December 31, 2025, we collected Initial Franchise Fees ranging from \$25,000 to \$50,000, with the lower end including discounts for existing franchisees and military discounts for veterans. We did not sell any conversion Franchises during our last fiscal year ended December 31, 2025.

#### *Boat Inventory*

From time to time, we, or our affiliates, may purchase boats at wholesale prices and receive the boat shipments at our location. When this situation occurs, and we have no other use for the boats, we make these boats available to franchisees at our cost. You are not required to purchase boats from us, and we may not have boats available for resale.

You may also purchase boats, engines and related parts and accessories from our affiliates. If you pay in cash, your costs will range from \$100,000 to \$300,000 depending on the number and types of vessels you purchase. These amounts will be due in a lump sum prior to delivery. These fees depend on market price, number and types of vessels you purchase, and are not refundable under any circumstances.



### *Sales and Marketing Support Fee*

We offer certain optional sales and marketing support services to you. You may request that we provide these services on an ongoing basis or may purchase these services as needed. If you elect to have us provide these optional services, you shall pay us our then-current fees for such services. If you choose not to use our services you will not pay any fees to us. If you choose to use all of our services for the first three months of operation, you will pay up to \$15,000. These fees are not refundable and will be paid as agreed depending on the services provided.

### *Opening Extension Fee*

You are required to open the FBC Business within 120 days of signing the Franchise Agreement or you will be required to pay an “Opening Extension Fee” of \$125 a week until your FBC Business is open. We may terminate your Franchise Agreement for failure to open your FBC Business in lieu of accepting this fee.

### *Site Selection Assistance Fee*

If you ask us to send a representative to your territory to help you with the review and selection of a site for your FBC Location, and we agree to provide that help, you must pay us a “Site Selection Assistance Fee.” This fee is up to \$500 per day for each day of assistance, based on an eight-hour day and including travel time, plus our actual costs for travel, lodging, meals, and other out-of-pocket expenses we incur in providing the assistance. We estimate those expenses to be about \$200 per day, but actual costs may be higher or lower. Due only if Franchisee requests site-selection assistance and we agree to provide. Any help we provide with site review or selection does not mean that we have accepted the site, and it does not mean that the site will be successful or profitable.

### *Financial Assurances*

Some states have imposed financial assurances as a condition of our registration. Please refer to the State Addendum in Exhibit E to the Franchise Disclosure Document.

## **ITEM 6** **OTHER FEES**

| Type of Fee               | Amount                                                                                     | Due Date                                         | Remarks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------|--------------------------------------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Royalty <sup>(1)(2)</sup> | The greater of 6% of “ <u>Gross Revenues</u> ” or the Minimum Royalty (“ <u>Royalty</u> ”) | Monthly, by the tenth day of the following month | Your Royalty is an ongoing payment that allows you to use the Proprietary Marks and the intellectual property of the System and pays for our ongoing support and assistance.<br><br>The “ <u>Minimum Royalty</u> ” is equal to \$1,000 per month per FBC Location after its first year of operations; and \$2,000 per month per FBC Location beginning after its second year of operations through the term of your Franchise Agreement. If you are renewing your franchise agreement, you are required to pay our then-current successor franchise minimum |



| Type of Fee                                                | Amount                                                                                                                                                                                                                     | Due Date                           | Remarks                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                            |                                                                                                                                                                                                                            |                                    | royalty.                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Brand Building Fund Contribution                           | 0.5% of Gross Revenues                                                                                                                                                                                                     | Same as Royalty                    | We have established a system-wide fund for our use in promoting and building the Freedom Boat Club brand (“ <u>Brand Building Fund</u> ”). We reserve the right to increase this contribution to 1% of Gross Revenues. See Item 11 for more information about the Brand Building Fund.                                                                                                                                                                                                |
| Local Advertising Payment                                  | The difference between the amount you spent on local advertising each month and your required local advertising expenditure (at least 1% of your monthly Gross Revenues beginning 30 days after opening your FBC Business) | Payable after receipt of invoice   | If you fail to meet your required local advertising requirement on local advertising, you must pay us the difference between the amount you spent and the required advertising expenditure, which will be contributed to the Brand Building Fund. The local advertising requirement is currently at least 1% of your monthly Gross Revenues beginning 30 days after opening your FBC Business.                                                                                        |
| Local and Regional Advertising Cooperatives <sup>(3)</sup> | Established by cooperative members (up to 1.25% of Gross Revenues)                                                                                                                                                         | Established by cooperative members | We currently do not have a cooperative, but reserve the right to require cooperatives to be established in the future. Each FBC Business we own that exists within the cooperative’s area will contribute to the cooperative on the same basis as franchisees. We anticipate that each FBC franchisee and each FBC Business that we own will have one vote for each FBC Location operated in the designated market. Item 11 contains more information about advertising cooperatives. |
| Default Advertising Fee                                    | \$500 per occurrence                                                                                                                                                                                                       | On demand                          | This fee is payable to the Brand Building Fund, if you use unauthorized advertising in violation of the terms of the Franchise Agreement.                                                                                                                                                                                                                                                                                                                                             |
| Sales and Marketing Support Fee                            | Varies depending upon the services and support you choose to receive from us                                                                                                                                               | As incurred                        | We offer certain optional sales and marketing support services to our franchisees for a fee. The services and fees may be one-time or ongoing and range from \$100 to several thousand dollars depending on the services a franchisee requests from us.                                                                                                                                                                                                                               |



| Type of Fee                           | Amount                                                                                                                                                                                                                                    | Due Date                                                                                                                | Remarks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Satellite Location Fee <sup>(4)</sup> | Our then-current fee (currently \$10,000 for each additional Satellite Location or one-half of the then current Satellite Fee under certain circumstances when the Satellite Location will be operated at a social boating or yacht club) | As incurred as you develop the Satellite Location pursuant to a Satellite Addendum to your existing Franchise Agreement | We may permit additional Satellite Locations within your protected territory, each of which will require payment of this fee. Existing franchisees may be charged a different rate depending on when they signed their franchise agreement.                                                                                                                                                                                                                                                            |
| Insurance                             | You must reimburse our costs plus a twenty percent (20%) administrative fee                                                                                                                                                               | On demand                                                                                                               | If you fail to obtain approved insurance, we may obtain insurance for you and you must reimburse us for the cost of insurance obtained plus 20% of the premium as an administrative cost of obtaining the insurance. Deductibles and any liability beyond the coverage will remain your obligation.                                                                                                                                                                                                    |
| Additional Training Fee               | Our then-current fee (currently \$150 per person per day), plus tuition charges, the cost of transportation, subsistence, and lodging for the training representative                                                                     | As incurred                                                                                                             | We provide initial training at no charge for up to four people (See Item 11). We may charge you for training additional persons, newly hired personnel, refresher training courses, advanced training courses, or special assistance or training you need or request. The fee amount will depend on the training required and experience level of the trainer. Determination of our then-current fee is subject to increase based on changes to the Consumer Price Index (“CPI”) in the United States. |
| Technology Fee <sup>(5)</sup>         | Up to \$1,000 per month (Not currently charged)                                                                                                                                                                                           | Same as Royalty                                                                                                         | Franchisor reserves the right to charge Franchisee a “ <u>Technology Fee</u> ” not to exceed \$1,000 per month for certain technologies used in the operation of your FBC Business. We reserve the right to upgrade, modify, and add new software. You will be responsible for any increase in fees that result from any upgrades, modifications, or additional software. Determination of our then-current fee is subject to increase based on changes to the CPI.                                    |



| Type of Fee                           | Amount                                                                                                                                                                              | Due Date    | Remarks                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| BoatClass Service Fee                 | \$190 per BoatClass agreement plus 6% of program revenue                                                                                                                            | As incurred | Franchisees have the option to offer BoatClass courses. They will sign an agreement that covers the boating season (see <u>Exhibit H</u> ). FBS receives a \$190 fee for reimbursement for its costs to set up the franchisee's scheduling system for the program and then a 6% service fee on franchisee's revenue generated through the program. The fee may increase based on third party expenses for the scheduling system. |
| Customer Issue Resolution             | Varies; reasonable costs we incur for responding to a customer complaint                                                                                                            | On invoice  | We may, in our sole discretion, remedy any issues with customers of your FBC Business, including full reimbursement of any fees paid to you. You are required to reimburse us for any such fees.                                                                                                                                                                                                                                 |
| Payment Service Fee                   | Up to 4% of total charge                                                                                                                                                            | As incurred | If payment is made to us or our affiliates by a method other than electronic funds transfer (" <u>EFT</u> "), we may charge a service charge of up to 4% of the total charge.                                                                                                                                                                                                                                                    |
| Late Payment                          | \$100 per occurrence, plus the greater of:<br>(a) the Prime Rate plus 8%; or (b) 18% per annum                                                                                      | As incurred | The late payment and interest are payable if any payment due to us or our affiliate(s) is not made by the due date. Interest accrues from the original due date until payment is received in full. The interest rate is subject to the highest allowable rate under state law.                                                                                                                                                   |
| Insufficient Funds Fee                | \$100 per occurrence                                                                                                                                                                | As incurred | Due each time a check you write to us is dishonored or you have insufficient funds for an EFT payment.                                                                                                                                                                                                                                                                                                                           |
| Failure to Submit Required Report Fee | \$100 per occurrence and \$100 per week                                                                                                                                             | As incurred | Payable if you fail to submit any required report or financial statement when due. Fines collected are paid to the Brand Building Fund. You will continue to incur this fee until you submit the required report.                                                                                                                                                                                                                |
| Audit Expenses                        | Cost of audit and inspection, any understated amounts, and any related expenses, including accounting and legal expenses (we estimate this cost to be between \$1,000 and \$12,000) | On demand   | Payable if the Royalties or Brand Building Fund contribution are understated by 2% or more or you fail to submit required reports. You will be required to pay up to 18% interest on any past due amount, if any. This fee also includes our costs of any special inspection or audit made necessary by your noncompliance.                                                                                                      |



| Type of Fee                    | Amount                                                                                                                                                            | Due Date    | Remarks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Indemnification                | Will vary under circumstances                                                                                                                                     | As incurred | You must indemnify and reimburse us for any expenses or losses that we, our affiliates or our representatives incur related in any way to your FBC Business or Franchise.                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Management Fee                 | \$250 per day, the cost of transportation, subsistence, and lodging for the manager plus direct costs and expenses that we incur while managing your FBC Business | As incurred | Payable if we exercise our rights to step in and manage your FBC Business. We have the right to manage your FBC Business upon the occurrence of certain circumstances (including if you breach your Franchise Agreement, if we determine that the continued operation of your Franchise is in jeopardy or jeopardizes the Freedom Boat Club brand).                                                                                                                                                                                                                                                              |
| Professional Fees and Expenses | Will vary under circumstances                                                                                                                                     | As incurred | If there is a dispute between you and us, the prevailing party is entitled to attorney fees and costs. You also must reimburse us for any legal or accounting fees that we incur as a result of addressing any breach, default or termination of your Franchise Agreement.                                                                                                                                                                                                                                                                                                                                       |
| Amendment Fee                  | Will vary under circumstances                                                                                                                                     | As incurred | If we agree to amend your Franchise Agreement in connection with any change of your ownership that does not trigger a transfer fee, change in management, change of location or as the result of other request made by you then you must reimburse us for any legal and administrative fees we incur in connection with the preparation of the Franchise Agreement amendment.                                                                                                                                                                                                                                    |
| Sublicense Fees                | Will vary under circumstances                                                                                                                                     | As incurred | Due only if you purchase software subscriptions or other subscription services made available through a master license, enterprise account, or other agreement obtained by Franchisor with a specific third-party provider. The fee may include our then-current cost for the applicable subscription service, plus an additional amount of up to 20% of that cost to cover overhead and administrative expenses associated with procuring, maintaining, administering, supporting, and billing for the subscription service. Available only where applicable and on a limited variety of subscription services. |





| Type of Fee                                 | Amount                                                                          | Due Date                                                                                                                 | Remarks                                                                                                                                                                                                                                                                                                            |
|---------------------------------------------|---------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Successor Franchise Fee                     | 25% of the then-current Initial Franchise Fee                                   | At the time you sign the new franchise agreement                                                                         | Payable if you qualify to renew your Franchise Agreement and choose to enter into a successor franchise agreement. If we are not offering Franchises at the time of your renewal, the renewal fee will be \$15,000.                                                                                                |
| Transfer Fee                                | \$15,000                                                                        | \$1,000 non-refundable deposit at time of transfer application submittal; remaining balance at time of approved transfer | Payable in connection with the transfer of your FBC Business, a transfer of ownership of your legal entity, or the Franchise Agreement, in each case always subject to our prior written consent.                                                                                                                  |
| Broker Fees                                 | Our actual cost of the brokerage commissions, finder's fees, or similar charges | As incurred                                                                                                              | If you transfer your FBC Business to a third party or purchaser, you must reimburse all of our actual costs for commissions, finder's fees and similar charges.                                                                                                                                                    |
| Liquidated Damages <sup>(6)</sup>           | Will vary under circumstances                                                   | Within 15 days after termination of the Franchise Agreement                                                              | Due only if we terminate the Franchise Agreement before the end of the term because of your material breach, or you terminate the Franchise Agreement without legal cause. If termination of the Franchise Agreement is the result of Franchisee's default, Franchisee shall pay to Franchisor a lump sum payment. |
| Confidential Information Cost Reimbursement | Will vary under circumstances                                                   | As incurred                                                                                                              | You must reimburse all direct and indirect costs we incur due to a breach of confidential information requirements or applicable law including any audit costs we incur.                                                                                                                                           |

Notes:

Except as otherwise stated in this Item, fees paid to us or our affiliates are non-refundable once paid. Certain fees are fixed, while others vary depending on the circumstances described in this Item. Fees paid to vendors or other suppliers may be refundable depending on the vendors and suppliers. We currently require you to pay fees and other amounts due to us and our affiliates via EFT or other similar means. You are required to complete the EFT authorization (in the form attached to this Franchise Disclosure Document in [Exhibit H](#)). We can require an alternative payment method or payment frequency for any fees or amounts owed to us or our affiliates under the Franchise Agreement. All fees are current as of the Issuance Date of this Franchise Disclosure Document. Certain fees may increase during the term of the Franchise Agreement as described in this Item and the Franchise Agreement. To the extent permitted by applicable law and the Franchise Agreement, fees stated as fixed dollar amounts may be adjusted based on changes in the CPI in the United States. We will notify you of any CPI-based adjustment at least 60 days before it becomes effective.

1. **Royalty.** You will pay a monthly Royalty of the greater of 6% of Gross Revenues ("Percentage Royalty") or the Minimum Royalty. You are only required to pay the Percentage Royalty as soon as you begin operations of your FBC Business. The Minimum Royalty will begin to be due one



year after you begin operations for an FBC Location under the Franchise Agreement, unless your Franchise Agreement is a successor franchise agreement, or you purchased your Franchise from a previous Freedom Boat Club franchisee, or if you have already operated an FBC Business at the same location as the approved location under your Franchise Agreement, in which case, the Minimum Royalty will be based upon the date that the FBC Business began operations at the FBC Location.

2. Royalty - Gross Revenues. “Gross Revenues” means the aggregate gross amount of all of your revenue, sales and other income and consideration from whatever source derived (whether in any form of cash or cash equivalents and any “in kind” payments (whether in property or services)), which arise from or are derived by you or by any other person from business conducted or which originated in, on, from, or through the FBC Business, whether or not sold or performed at or from the FBC Business, including, but not limited to, initial and renewal membership fees, dues, and all other charges, or from the sale of any products associated with the use of the Proprietary Marks, whether such business is conducted in compliance with or in violation of the terms of the Franchise Agreement, excluding only sales or other tax receipts (the collection of which is required by law), authorized sales promotions, authorized deductions (e.g., coupon, buy-one-get-one-free), allowances, and pass-through sales in which you sell the goods at cost (e.g., gas and oil). Any revenue from the resale of boats will not be counted in Gross Revenues for purposes of fee calculations. We may, from time to time, update the Brand Standards Manual to temporarily exclude certain items from Gross Revenues.
3. Local and Regional Advertising Cooperatives. If a local or regional advertising cooperative is established, contribution amounts will be established by the cooperative members, subject to our approval. We anticipate that we and each franchisee will have one vote for each FBC Location operated in the designated market. Each FBC Location we own that exists within the cooperative’s area will contribute to the cooperative on the same basis as franchisees. No local or regional advertising cooperatives have been established as of the Issuance Date of this Franchise Disclosure Document.
4. Satellite Location Fee. We may authorize you to add a Satellite Location. If we allow you to do this, you will be required to pay this Satellite Location Fee, sign a Satellite Amendment, and you and your owners will be required to sign a general release.
5. Technology Fee. We will provide you with certain technologies in exchange for your monthly technology fee, which may change from time to time based on changes to the technical services we provide and/or our costs to provide these services. We reserve the right to license, sublicense, and create software and technology that our franchisees must pay for and use. We can change the software and technology that must be used by our franchisees at any time, which may result in changes to the technology fee.
6. Liquidated Damages. Liquidated damages are determined by multiplying the combined monthly average of Royalty fees and Brand Building Fund contributions (without regard to any fee waivers or other reductions) that are owed by you to us, beginning with the date you open your FBC Business through the date of early termination, multiplied by the lesser of: (i) 36, or (ii) the number of full months remaining in the term of the Franchise Agreement, except that liquidated damages will not, under any circumstances, be less than \$30,000.



**ITEM 7**  
**ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

| Expenditure                                                  | Amount           |                  | Method Of Payment | When Due                              | To Whom Payment Is To Be Made                           |
|--------------------------------------------------------------|------------------|------------------|-------------------|---------------------------------------|---------------------------------------------------------|
|                                                              | Low              | High             |                   |                                       |                                                         |
| Initial Franchise Fee <sup>(1)</sup>                         | \$50,000         | \$50,000         | Lump sum          | When you sign the Franchise Agreement | Us                                                      |
| Training Expenses <sup>(2)</sup>                             | \$2,000          | \$4,000          | As incurred       | As incurred                           | Third Parties                                           |
| Real Estate <sup>(3)</sup>                                   | \$3,000          | \$9,000          | As incurred       | As incurred                           | Landlord                                                |
| Improvements (including Signage) <sup>(4)</sup>              | \$2,000          | \$5,000          | As incurred       | Before opening                        | Landlord, Third Parties, or Construction Contractors    |
| Furniture, Equipment <sup>(5)</sup>                          | \$2,000          | \$3,500          | As incurred       | Before opening                        | Third Parties                                           |
| Boat Inventory <sup>(6)</sup>                                | \$150,000        | \$400,000        | As incurred       | Before opening                        | Us, our Affiliates, Third Parties                       |
| Professional Fees <sup>(7)</sup>                             | \$1,500          | \$7,000          | As incurred       | As incurred                           | Lawyers, Accountants, and Other Professionals           |
| Insurance <sup>(8)</sup>                                     | \$7,000          | \$15,000         | As incurred       | As incurred                           | Our Approved Insurance Company                          |
| Start-up Advertising                                         | \$15,000         | \$60,000         | As incurred       | As incurred                           | Third Parties                                           |
| Deposits, Licenses/Permits <sup>(9)</sup>                    | \$1,000          | \$4,000          | As incurred       | Before opening                        | Suppliers, Utility Companies, Government Agencies, etc. |
| Sales and Marketing Support Fee <sup>(10)</sup>              | \$0              | \$15,000         | As incurred       | As incurred                           | Us                                                      |
| Additional Funds - Three Months <sup>(11)</sup>              | \$30,000         | \$50,000         | As incurred       | As incurred                           | Third Parties                                           |
| <b>TOTAL ESTIMATED INITIAL INVESTMENT<sup>(12)(13)</sup></b> | <b>\$263,500</b> | <b>\$622,500</b> |                   |                                       |                                                         |

Notes:

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your FBC Business. Except as described in Item 10, we do not offer direct or indirect financing for these items. The estimated initial investment for a converted FBC Business, while still within the estimated range set forth above, may vary from that of a traditional FBC Business, and these figures represent the approximate cost for purchasing, installing and equipping the FBC Business. Conversion



Owners may not need to incur all of these expenses. However, the initial investment for a converted FBC Business will depend on the size, location and amount and condition of existing inventory of the business to be converted to an FBC Business. Amounts paid to us or our affiliates may vary depending on the items you purchase and the circumstances described in this Franchise Disclosure Document. Except as otherwise described in this Franchise Disclosure Document or required by applicable law, amounts paid to us or our affiliates are non-refundable once paid. All expenses payable to third parties are non-refundable, except as you may arrange for utility deposits and other payments. We have not included any state or local sales taxes in any of the above estimates.

1. Initial Franchise Fee. See Item 5 for more information on Initial Franchise Fees.
2. Training Expenses. We provide training at our training center in Venice, Florida or at another location designated by us. You must pay for accommodations, gas, parking, and food expenses while training. This estimate assumes two people will attend training.
3. Real Estate. You will need to rent a minimum of four boat slips and an office. We estimate the rental for the slips to be between \$250 and \$1,500 per slip per month, and the rental for an appropriate office to be between \$2,000 and \$3,000 per month. A typical FBC Business will have an FBC Location at or near a large body of water and in a geographic area suitable for the operation of an FBC Business. Boat slips may not be available under a fixed term lease.
4. Improvements. Your improvements will include office renovation and signage. If your main office is located at an FBC Location, then you will need adequate space for up to three office personnel. In addition, a minimum of 200 square feet of office space is required to receive potential customers comfortably. Minimum wall area should be 300 square feet to display pictures of vessels and social events sponsored by the FBC Business. Depending on the size of your vessels, your boats may create suitable ambience for these activities and may reduce your office space requirements.
5. Furniture, Equipment. We only require that you utilize one computer for the operation of your FBC Business, along with a compatible tablet for dockside usage. You may choose to purchase additional computers if you desire. You will need to purchase a table or desk to meet potential customers, and adequate desk space for your employees. You will be required to operate a reservation system for your members and to keep specific records, including membership lists and financial information in the required format.
6. Boat Inventory. You are initially required to purchase four boats that range from 18 to 26 feet, depending on the characteristics of your protected territory. As of the Issuance Date of this Franchise Disclosure Document, these vessels include the following (or similar models): the Harris Cruiser 23 (Pontoon), the Bayliner VR6 or Sea Ray SPX 210 (Bow Rider), the Bayliner Element E21 (Deck Boat) and the Bayliner Trophy T22CX or Cobia 220 or 237 (Offshore) or other NMMA approved vessel manufacturers. If you desire to use larger vessels in your FBC Business or you choose a location which may require the use of larger vessels, you will need our prior written consent. In such circumstances, your costs will exceed those in the estimate provided. During the start-up phase of your FBC Business, you will normally need to add one additional vessel for every additional 10-15 members that join your FBC Business. In approximately two to three years, you will normally begin replacing vessels which show excessive wear. The frequency of the replacement of the vessels varies by climate zone and usage. The amount listed above also includes paying cash for the boats.
7. Professional Fees. Rates for professionals can vary significantly based on area and experience.



8. Insurance. You must obtain and maintain, at your own expense, the insurance policies and coverage that we require from the insurance company and broker placing coverage that we direct and satisfy other insurance-related obligations. The estimate is for one year's premium for four boats, but actual costs can be substantially more than the estimates above, depending on the location of the FBC Business and the number and type of vessels. Please note that if you have had prior issues or claims from previous operations unrelated to the operation of an FBC Business, your rates may be significantly higher than those estimated above.
9. Deposits, Licenses/Permits. Deposits may be required by your landlord, the telephone, gas, water, and electric companies, or others supplying services to your FBC Business. Local, municipal, county, and state regulations vary depending on what licenses and permits are required.
10. Sales and Marketing Support Fee. This fee is optional if you choose to use our marketing and support services. The low end of this estimate assumes that you do not wish to use these services and the high end assumes that you choose to use all of these services that we offer for each of the first three months your FBC Business is in operation. This fee is currently paid to us but a portion may be paid to third parties in the future.
11. Additional Funds. These amounts represent our estimate of the amount needed to cover your expenses for the initial three month start-up phase of your FBC Business. They include salaries and benefits for employees, but do not include any allowance for an owner's draw or operating losses after the initial phase. These figures do not include standard pre-opening expenses, Royalties, or Brand Building Fund contributions payable under the Franchise Agreement or debt service, and assume that none of your expenses are offset by any sales generated during the start-up phase. We have elected to include certain fees as line items above, including real estate and insurance. For purposes of this disclosure, we estimated the start-up phase to be three months from the date your FBC Business opens for business. These figures are estimates. Our estimates are based on our experience, the experience of our affiliates, and our current requirements for Franchises. In addition, we recommend that you have sufficient additional funds available to cover one year's living expenses. The amount will vary substantially depending upon your situation and must be determined by you.
12. This is an estimate of your initial start-up expenses for one FBC Business.
13. Satellite Location. The estimated initial investment for a Satellite Location, while still within the estimated range described above, may be lower than the initial investment for a standard FBC Business location. Because the right to operate a particular Satellite Location will be granted by amending the existing Franchise Agreement for your existing FBC Business, we have not included those estimates in this table.

## **ITEM 8**

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

#### Standards and Specifications

You must operate your FBC Business in compliance with our System, the "Brand Standards Manual"(defined below), and our other written standards. All products, services, supplies, fixtures, equipment, inventory, computer hardware and software, vessels, engines, motors, parts, accessories, and real estate used to establish and operate the FBC Business must meet those standards. Depending on the



item, we may require that you obtain it from us, our affiliates, our designees, or approved suppliers. You must not deviate from these methods, standards, and specifications without our prior written consent, or otherwise operate in any manner which reflects adversely on our Proprietary Marks or the System.

Our confidential operating manual (“Brand Standards Manual”) states our specifications, standards, and guidelines for all products and services we require you to obtain in establishing and operating your FBC Business, and our approved vendors for these products and services. Our Brand Standards Manual is subject to change at our discretion. We will notify you of new or modified standards, specifications, and guidelines through periodic amendments or supplements to the Brand Standards Manual or through other written communication (including electronic communication, such as email, or through a system-wide intranet). If requested, we will issue copies of our product and service standards and specifications to you.

You must purchase, install, maintain in sufficient supply, and use fixtures, furnishings, equipment, signs, and supplies that meet the standards and specifications in the Brand Standards Manual and our other written standards. All boats, engines, motors, parts, accessories, and other equipment or supplies used in your FBC Business must meet those requirements, regardless of supplier. You may not buy or use any nonconforming items. You must also select vessels appropriate for your FBC Business and consistent with the operational, safety, and brand standards of the System. Approved manufacturers, models, and specifications are identified in the Brand Standards Manual and our other written standards.

#### Purchases from Approved Suppliers

All boats, engines, motors, parts, accessories, and other equipment or supplies you use in your FBC Business must meet the specifications, product line requirements, brand requirements, and other standards in the Brand Standards Manual and our other written standards. These requirements apply no matter which supplier you use. All vessels and engines must meet or exceed the minimum specifications in the Brand Standards Manual.

Our parent, Brunswick, our affiliate Brunswick Family Boat Co., Inc., our affiliate Boston Whaler, Inc., our affiliate Brunswick Leisure Boat Company, LLC, our affiliate Thunder Jet Boats, Inc., and our affiliate Lund Boat Company are approved suppliers of boats. We are also an approved supplier of boats as described in Item 5. Brunswick Boat Group (“BBG”) Brand Boats are approved vendors for boats, and Brunswick, through its Mercury Marine division, is an approved vendor and approved supplier of engines. Our affiliate Land ‘N’ Sea Distributing, Inc. is an approved supplier of parts and accessories. Our affiliate Freedom Business Services, LLC provides franchisees with BoatClass services and access to outside bookkeeping and fleet management vendors. Our affiliate Boateka, Inc. is an approved purchaser of used boats and inventory from franchisees. Our affiliate Brunswick Product Protection Corporation is an approved supplier of extended warranties and services for franchisees to bundle with the sale of retired fleet boats. BAC, the joint venture between our parent Brunswick and Wells Fargo Commercial Distribution Finance, is a supplier of financing (see Item 10 below). None of these affiliates are currently the only approved suppliers.

Unless an “Equipment Exclusivity Agreement” applies, you may buy boats, engines, parts, accessories, and other approved products or services from any approved supplier, as long as the products or services meet the Brand Standards Manual and our other written standards. BBG Brand Boats and Brunswick, through its Mercury Marine division, are approved vendors for boats and engines, respectively, but they are not required suppliers unless an Equipment Exclusivity Agreement applies. A sample Equipment Exclusivity Agreement is attached as Exhibit H.





We require all new franchisees, and any renewing franchisee already subject to an Equipment Exclusivity Agreement, to sign an Equipment Exclusivity Agreement. If that agreement applies, you may be required to buy boats and motors only from us, our affiliates, BBG Brand Boats, Brunswick through its Mercury Marine division, or other suppliers we designate under that agreement, subject to availability and the terms of that agreement. Your cost to buy boats will depend on market conditions and a pricing formula used by us and our affiliates that may include a distribution fee and an allowance for fuel and certain freight costs.

Except for revenue we or our affiliates receive from selling or leasing products or services directly to franchisees, we do not currently receive rebates, credits, discounts, fees, or other material benefits from franchisee purchases from approved suppliers, manufacturers, or service providers. If we or our affiliates enter into supplier or service-provider arrangements in the future for the benefit of franchisees, we or our affiliates may receive promotional allowances, volume discounts, co-marketing fees, rebates, or similar payments, subject to applicable law and the State Addendum. There are no stated caps on those amounts. Some vendors that exhibit at our annual franchise conference also pay a fee that is used to offset conference costs.

Except as otherwise required by an Equipment Exclusivity Agreement or by our standards for designated products or services, you are not currently required to buy only from these affiliates or vendors. We and our parent and affiliates that are approved suppliers may earn revenue from selling products or services to franchisees. We reserve the right to designate us, one or more of our affiliates, or another supplier as an approved supplier or the only approved supplier for particular products or services. Some of our officers own equity in our parent, Brunswick, which is an approved supplier and is also the parent company of several approved suppliers, including us.

During our last fiscal year, ended December 31, 2025, we received \$122,320.50 in revenue from the sale or lease of products or services to franchisees. During our last fiscal year, ended December 31, 2025, our affiliates realized revenues totaling \$15,819,287 from the sale or lease of products or services to franchisees, allocated as follows: Brunswick Corporation, \$6,664,900; Brunswick Family Boat Co, Inc., \$1,859,963; Brunswick Leisure Boat Company LLC, \$4,670,474; Boston Whaler, Inc., \$1,207,208; Land 'N' Sea Distributing, Inc., \$1,394,540; Brunswick Product Protection Corporation, \$14,555; Blue Water Finance, \$7,025; and Freedom Business Services LLC, \$622.

We estimate that the purchase of these supplies, equipment, inventory, fixtures, products, and services from us or our designated or approved suppliers and distributors, or those meeting our standards and specifications, will be approximately 51% to 89% of your total cost to establish an FBC Business, and 15% to 35% of your total cost to operate an FBC Business (not including amortization, depreciation, or replacement of worn or obsolete improvements, equipment, or fixtures).

We do not have purchasing and distribution cooperatives as of the Issuance Date of this Franchise Disclosure Document. We do not provide material benefits, such as renewing or granting additional Franchises to franchisees based on their use of designated or approved suppliers.

You must use the computer hardware and software that we periodically designate to operate your FBC Business, which may include dockside tablet devices. You must obtain the software licenses, maintenance and support services, and other related services that meet our specifications from the suppliers we specify.

You must obtain and maintain the insurance coverage required under the Franchise Agreement. Both the insurance company and the broker placing coverage will be approved by us. The insurance company must be authorized to do business in the state where your FBC Business is located. It must have





a rating of A+ or better as determined by A.M. Best and Co. or a comparable rating by another nationally recognized rating organization. We currently require you to obtain and maintain the following insurance coverages from our approved insurance company and broker placing coverage: (i) workers' compensation and employers' liability in amounts prescribed by law; (ii) automobile and vessel liability for owned, non-owned and hired vehicles and vessels, in an amount not less than \$1,000,000 combined single limit; (iii) liability insurance written on an occurrence basis, using a combined single limit per occurrence for bodily injury, personal injury and property damage of at least \$1,000,000 per occurrence/\$2,000,000 aggregate (except as prescribed by law or availability for the above); (iv) all risk insurance covering fire and extended coverage, vandalism and malicious mischief, sprinkler leakage and all other perils of direct physical loss or damage, for the full replacement value of all your property, vessels or equipment of any nature located at, on, in or about the FBC Business, including all contents and signs, with reasonable deductibles acceptable to us; (v) an umbrella excess liability policy in an amount not less than \$1,000,000 per occurrence and \$1,000,000 aggregate; and (vi) such additional insurance, including casualty loss insurance, as may be required by any lease. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage at any time. All insurance policies must name us, our parent, and any affiliates we designate as additional insured parties.

#### Approval of New Suppliers

If you desire to purchase any product or service from a manufacturer or supplier other than those approved by us, you must notify us in advance, providing information concerning the manufacturer or supplier and the product or service as reasonably requested by us. We will evaluate the product or service from this manufacturer or supplier, at your expense, to ascertain whether they meet our standards. We apply the following general criteria in approving a proposed supplier: (1) ability to purchase the product in bulk; (2) quality of services; (3) production and delivery capability; (4) proximity to FBC Businesses to ensure timely deliveries of the products or services; (5) the dependability of the supplier; and (6) other factors. We may grant or deny you permission to purchase and sell such product in our reasonable business judgment. We will approve or disapprove the supplier within 30 days of receipt of your request and adequate samples of the items for which approval is requested. You will not be charged a fee for such approval or disapproval of manufacturers or suppliers. We have the right to revoke an approval upon 30 days' written notice to you.

### **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 Franchise Agreement                                      | Item in Disclosure Document |
|--------------------------------------------------------|---------------------------------------------------------------------|-----------------------------|
| a. Site selection and acquisition/lease                | Section IV                                                          | Items 8 and 11              |
| b. Pre-opening purchases/leases                        | Sections IV, VI, VIII, IX and XI                                    | Items 7, 8 and 11           |
| c. Site development and other pre-opening requirements | Sections IV, VII and VIII                                           | Items 7, 8 and 11           |
| d. Initial and ongoing training                        | Section V                                                           | Items 7 and 11              |
| e. Opening                                             | Section IV                                                          | Items 7 and 11              |
| f. Fees                                                | Sections I, II, III, IV, V, VI, IX, XI, XII, XIII, XIV, XV and XXIV | Items 5, 6 and 7            |



| Obligation                                                                   | Section in Franchise Agreement           | Item in Disclosure Document |
|------------------------------------------------------------------------------|------------------------------------------|-----------------------------|
| g. Compliance with standards and policies/operating manual                   | Sections I, II, IV, VI, VII, VIII and XI | Items 8 and 11              |
| h. Trademarks and proprietary information                                    | Sections I, VI, XI, XV, XVI and XXI      | Items 13 and 14             |
| i. Restrictions on products/services offered                                 | Sections VI and VIII                     | Items 8 and 16              |
| j. Warranty and customer service requirements                                | Section VI                               | None                        |
| k. Territorial development and sales quotas                                  | Section I                                | Item 12                     |
| l. Ongoing product/service purchases                                         | Section VIII                             | Item 8                      |
| m. Maintenance, appearance and remodeling requirements                       | Sections II, IV and VI                   | Item 8                      |
| n. Insurance                                                                 | Section IX                               | Items 7 and 8               |
| o. Advertising                                                               | Sections XI and XII                      | Items 7, 8 and 11           |
| p. Indemnification                                                           | Section X                                | None                        |
| q. Owner's participation/management/staffing                                 | Sections V, VI and XV                    | Items 1, 11 and 15          |
| r. Records and reports                                                       | Sections V, VI and XIV                   | Items 6 and 11              |
| s. Inspections and audits                                                    | Sections IV, VII and XIV                 | Items 6, 11 and 17          |
| t. Transfer                                                                  | Section XV                               | Items 6, 15 and 17          |
| u. Renewal                                                                   | Section II                               | Items 6 and 17              |
| v. Post-termination obligations                                              | Sections XVII and XXI                    | Item 17                     |
| w. Non-competition covenants                                                 | Section XVII                             | Item 17                     |
| x. Dispute resolution                                                        | Sections XXIII and XXIV                  | Item 17                     |
| y. Personal guaranties of franchisee, franchisee's owners, and their spouses | Section XV and Attachment D              | Item 15                     |

## **ITEM 10** **FINANCING**

We do not offer direct financing. Based on the franchisee's qualifications, credit rating, and other factors as determined in its sole discretion, Brunswick Acceptance Company, LLC ("BAC") (a joint venture between our parent Brunswick Corporation and Wells Fargo Commercial Distribution Finance, LLC) may offer customized financing to certain franchisees for the purchase of Covered Boat inventory, as described in this Item 10. In the alternative, a franchisee may choose another lender or finance company. Neither we nor Brunswick Corporation receive a fee for placing such financing for you with BAC. Moreover, neither we nor BAC provide financing for the purchase of your franchise.

Should a franchisee choose to participate in the optional BAC financing program for the purchase of boat inventory as described above, and should BAC, in its sole discretion, approve you for a line of credit, one of the documents you will need to execute will be a financing agreement to be agreed upon by the parties. A sample financing agreement is attached in Exhibit H.



| Item Financed                | Source of Financing | Amount Financed                                                              | Term (Yrs) and Interest Rate                                                                                                                                                                                                                                                                                                                                                                                                             | Monthly Payment                                       | Prepay Penalty | Security Required                                                                                                                                                                                                                                   | Liability Upon Default                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------------------------|---------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Covered Boats <sup>(1)</sup> | BAC                 | Up to 100% of the original invoice price of each Covered Boat <sup>(2)</sup> | Up to 18% per annum, generally based on a benchmark equal to the base rate or a substitute index rate (which may be adjusted by BAC). The applicable “Base Rate” is subject to change and generally will be based on: (i) the 30-Day Average SOFR, plus a spread adjustment determined by BAC; or (ii) the highest published Prime Rate. The applicable Base Rate (or other benchmark) and term will be determined by BAC <sup>(3)</sup> | Based on negotiated term and negotiated interest rate | None           | As negotiated between BAC and franchisee, may include that BAC will require a perfected priority security interest in each boat financed along with all other assets of franchisee, and may require Guaranties from owners or others <sup>(4)</sup> | Based on negotiated terms but may include:<br>upon the occurrence of a default, BAC shall have all rights and remedies of a secured party under the UCC and other applicable law and all the rights and remedies set forth in its financing agreement, including<br>termination of facility with BAC; and acceleration of amounts owed to BAC, including but not limited to principal, interest fees, charges, and expenses as described in more detail in the financing agreement. <sup>(5)</sup> |

1. A “Covered Boat” means any boat purchased from Brunswick Corporation, one of our affiliates approved by BAC, or another vendor approved by Wells Fargo Commercial Distribution Finance, LLC, and used as boat inventory.

2. The cost of freight may also be financed if it is included on the original invoice.

3. The term and the interest rate will vary for each financing transaction depending on the amount of the proposed financing, the credit rating of the franchisee and other relevant factors. The interest rate will initially be based on a “Base Rate.” The Base Rate refers to one of the following: (i) the 30-Day Average SOFR plus a spread adjustment determined by BAC; or (ii) the highest “Prime Rate” as published in the “Money Rates” column of The Wall Street Journal or in any other publication that BAC designates. “Adjusted 30-Day Average SOFR” shall mean, for any calendar month, the greater of: (a) a per annum interest rate equal to the 30-Day Average SOFR as published by the Federal Reserve Bank of New York (or in other publication that BAC designates) on or about the first business day of such month plus a spread adjustment selected by BAC; or (b) a minimum rate per annum equal to the greater of zero percent per annum or such other minimum rate specified by BAC in a notice to you. “Prime Rate” refers, in any calendar month, an interest rate that is equal to the greater of: (a) the highest “prime rate” as published in the “Money Rates” column of The Wall Street Journal or in any other publication, website or electronic source that BAC, in its sole discretion, may select, on or about the first business day of the month; or (b) a minimum rate per annum equal to the greater of zero percent per annum or such other minimum rate specified by BAC in a notice to you. The Base Rate (or any substitute benchmark) may be further adjusted by BAC to include margins, matrices, and other adders upon notice to you.

BAC may substitute an alternative index rate and spread adjustment for the Base Rate (or any previously negotiated or substituted interest rate and spread adjustment or other benchmark) upon the occurrence of any of the following: (a) a public statement or publication of information by or on behalf of the administrator of such index rate, or any successor administrator (collectively, “Benchmark Administrator”) or a regulatory supervisor for, or any insolvency or resolution official with authority



over, the Benchmark Administrator, announcing that: (i) the Benchmark Administrator has ceased or will cease to provide such index rate, permanently or indefinitely; or (ii) the applicable index rate is no longer, or as of a specified future date will no longer be, representative of underlying markets; or (b) notice is provided by BAC to you of BAC's intention to adopt a new benchmark to replace the applicable benchmark; or (c) entry by BAC and you into a written agreement to adopt a new benchmark to replace the applicable index rate. BAC will have the right to determine whether these events have occurred or to otherwise designate that a new index rate and spread adjustment will be used as a benchmark in its sole discretion.

The default interest rate will be the default rate specified in your financing program with BAC, if any, or if there is none so specified, at the lesser of 3% per annum above the rate in effect immediately prior to the default, or the highest lawful contract rate of interest permitted under applicable law.

4. You and your owners (if you are a legal entity) or others may be required to guarantee the amount financed and/or provide additional collateral.

5. If you default, BAC has the right to bring a claim against you in the State of Illinois. You must waive all defenses against BAC, and other legal rights. Any default under your financing agreement will also be a default under your Franchise Agreement.

BAC may sell, assign or discount the amount financed to a third party. In such cases, you may lose all your defenses against such third party as a result of the sale or assignment.

Any financing offered by BAC will be subject to credit approval, customer due diligence, and terms and conditions of the negotiated financing agreement which may differ from the sample financing agreement attached in Exhibit H. This Franchise Disclosure Document does not modify, amend, or add terms to the financing agreement negotiated between the franchisee and BAC.

Except as provided above, we do not offer direct or indirect financing to you. There may be circumstances in which Brunswick Corporation or our affiliates guarantee certain of franchisee's financing obligations or provide an agreement to BAC to repurchase the Covered Boats upon foreclosure by BAC. Otherwise, we do not guarantee your promissory notes, leases, or other obligations.

## **ITEM 11**

### **FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING**

**Except as listed below, FFS is not required to provide any assistance to you.**

#### **Pre-Opening Obligations**

Before you open your FBC Business, we (or our designee(s)) will provide the following assistance and services to you:

1. Provide an initial training program in Venice, Florida or another location designated by us ("Initial Training Program") for up to four people, as described below (Franchise Agreement, Section V).

2. Make available to you on our website or through other electronic means, one copy of the Brand Standards Manual. The Brand Standards Manual is confidential and remains our property. We will modify the Brand Standards Manual from time to time to reflect changes in the standards, specifications, and procedures for operating an FBC Business (Franchise Agreement, Section VI.B.). The Brand



Standards Manual is digital and consists of approximately 131 digital pages. The table of contents for the Brand Standards Manual is attached to this Franchise Disclosure Document as Exhibit C.

3. Prescribe standard uniforms and attire for your personnel (Franchise Agreement, Section VI.J.).

4. Provide a list of required suppliers or manufacturers of supplies (Franchise Agreement, Section VIII.A.).

5. Review and determine whether the proposed site for your FBC Business meets our minimum site qualifications prior to your execution of a lease. If you do not have an accepted location for the FBC Business when you sign the Franchise Agreement, you must secure a site within 60 days of signing. If you do not submit a proposed site that meets our minimum site qualifications within that time period, we may, in our sole discretion, terminate the Franchise Agreement unless you submit another proposed site within the protected territory within 30 days of the expiration of the initial site submission period or pay the Opening Extension Fee. We will determine whether your proposed site meets our minimum site qualifications within 30 days of receipt of your completed site report and any other materials we request. Our acceptance of your FBC Business location only means that, based on the information available to us, the site meets our then-current minimum site qualifications. Acceptance of a site is not a representation, warranty, or assurance that the site will be successful or profitable. In deciding whether to accept your FBC Business location, we may consider available demographic information for the site and the area in which it is located, including income figures, visibility, accessibility of the site, parking facilities, competition, and other considerations including the terms and conditions under which the site is available. Your lease must contain certain provisions of our “Addendum to Slip Agreement,” which is attached to this Franchise Disclosure Document in Exhibit H. In many areas, boat slips are not available under leases for a fixed period. We reserve the right to reject any proposed site that does not satisfy our standards or that we determine is not suitable for the System. No proposed site will be deemed accepted unless it has been expressly accepted in writing by us (Franchise Agreement, Section IV.A.). We do not assist you in conforming the premises to local ordinance and building codes nor do we assist you in obtaining any required permits. Except as noted, we do not deliver or assist with the installation of any fixtures, furnishings, equipment, signs or other supplies.

6. Designate a protected territory for your FBC Business. If you sign a Development Addendum, we will designate the protected territory within which you may develop a specified number of Franchises subject to the Development Schedule (See Development Addendum).

We do not provide the above services to renewal franchisees and may not provide all of the above services to franchisees that purchase existing FBC Businesses.

### *Schedule for Opening*

Franchisees typically should be able to open their FBC Businesses within 60 to 90 days after they sign a Franchise Agreement. This time may be longer due to various factors that affect opening time, such as the ability to obtain a lease; availability, delivery, and installation of fixtures, signs, equipment, and vessels; completion of required training; financing; building permits; zoning; seasonality and local ordinances. Other factors include weather conditions, shortages, and delays in installation of equipment, fixtures, and signs. An FBC Business will be permitted to open for business only after receiving our written approval. You are required to open the FBC Business within 120 days of signing the Franchise Agreement or you will be required to pay the Opening Extension Fee until your FBC Business is open. We may terminate your Franchise Agreement for failure to open your FBC Business in lieu of accepting this fee.



### Continuing Obligations

During the operation of your FBC Business, we (or our designee(s)) will provide the following assistance and services to you:

1. From time to time during the term of the Franchise Agreement, determine the standards of quality, service, merchandising, and advertising (Franchise Agreement, Sections VI, VII, VIII and XI).
2. Provide a uniform reporting system, including standardized forms (Franchise Agreement, Section XIV).
3. Evaluate sources of supplies recommended by you (Franchise Agreement, Section VIII.B.).
4. Upon reasonable request, provide advice regarding your FBC Business' operations based on reports or inspections. Subject to our availability, advice will be given during our regular business hours and via written materials, electronic media, telephone, or other methods in our discretion (Franchise Agreement, Section XIV).

### Optional Assistance

During the term of the Franchise Agreement, we (or our designee(s)) may, but are not required to, provide the following assistance and services to you:

1. If you request that we send a representative into your territory to assist you with site review and selection for your FBC Location, and we elect to provide that assistance, we may charge a Site Selection Assistance Fee. Any assistance we provide is assistance only. It does not mean that we have accepted the site, and it is not a representation, warranty, or assurance that the site will be successful. If we choose to provide this assistance, the Site Selection Assistance Fee will be up to \$500 per day (based on an eight-hour day, including travel time), plus all of our actual expenses for travel, lodging, meals, and other out-of-pocket expenses incurred in connection with such assistance (estimated to be approximately \$200 per day). This fee will be due in a lump sum after our assistance has been rendered.
2. Modify, update, or change the System, including the adoption and use of new or modified trade names, trademarks, service marks, or copyrighted materials, new products, new equipment, or new techniques.
3. Make periodic visits to the FBC Business for the purpose of assisting in all aspects of the operation and management of the Franchise, prepare written reports concerning these visits outlining any suggested changes or improvements in the operation of the Franchise, and detailing any problems in the operations which become evident as a result of any visit. If provided at your request, you must reimburse our expenses and pay our then-current training charges.
4. Maintain and administer the Brand Building Fund. We may dissolve the Brand Building Fund upon written notice (Franchise Agreement, Section XI).
5. Hold periodic national or regional conferences to discuss business and operational issues affecting Freedom Boat Club franchisees.





6. Provide optional sales and marketing support services to you on either an ongoing or as needed basis. If you elect to have us provide these optional sales and marketing support services, you must pay us our then-current fees for providing such services (Franchise Agreement, Section XI).

7. Recommend prices at which you sell your products or services, and set maximum and minimum prices if permitted by law.

8. Establish minimum and maximum resale prices for use with multi-area marketing programs and special price promotions as allowed by law.

## Advertising

### *Brand Building Fund*

The Brand Building Fund is for marketing, developing, and promoting the System, the Marks and Freedom Boat Franchises. You must pay 0.5% of your Gross Revenues to the Brand Building Fund ("Brand Building Fund Contribution"). We reserve the right to increase the Brand Building Fund Contribution up to 1% upon 30 days' written notice. Your Brand Building Fund Contribution will be in addition to all other advertising requirements set out in this Item 11. Each franchisee will be required to contribute to the Brand Building Fund, but certain franchisees may contribute on a different basis depending on when they signed their Franchise Agreement. FBC Businesses owned by us and our affiliates will contribute to the Brand Building Fund on the same basis as franchisees.

The Brand Building Fund will be administered by us, or our affiliate or designees, in our discretion, and we may use national and/or regional advertising agencies as the source for our advertising materials, or we may prepare them in-house. We will not keep the Brand Building Fund in a separate bank account but we will maintain an accounting of the Brand Building Fund. Your contribution to the Brand Building Fund will be in addition to all other advertising requirements set out in this Item 11.

We may reimburse ourselves, our authorized representatives, or our affiliates from the Brand Building Fund for administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes, and all other reasonable direct or indirect expenses that may be incurred by us or our authorized representatives and associated with the programs funded by the Brand Building Fund. We assume no fiduciary duty to you or other direct or indirect liability or obligation to collect amounts due to the Brand Building Fund or to maintain, direct, or administer the Brand Building Fund. Any unused funds in any calendar year will be applied to the following year's funds, and we reserve the right to contribute or loan additional funds to the Brand Building Fund on any terms we deem reasonable. Because this fund would not be audited, audited financial statements will not be available to franchisees. We will provide an annual accounting for the Brand Building Fund that shows how the Brand Building Fund proceeds have been spent for the previous year upon written request.

We may use the Brand Building Fund for the creation, production, and placement of commercial advertising; agency costs and commissions; creation and production of video, audio, and written advertisements; administering multi-regional advertising programs, direct mail, and other media advertising; in-house staff assistance and related administrative costs; local and regional promotions; engaging one or more public relations firms or conducting our own public relations campaigns; market research; implementing technology and resources to enhance brand satisfaction and evaluation of the customer experience; and other advertising and marketing activities, including participating at trade shows. Advertising may be placed in local, regional, national, or international media of our choice, including, but not limited to, print, direct mail, radio, television, or Internet. We do not guarantee that





advertising expenditures from the Brand Building Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all.

We are not obligated to spend any amount on advertising in the geographical area where you are or will be located. We will not use the Brand Building Fund contributions for advertising that is principally a solicitation for the sale of Franchises, but we reserve the right to include a notation in any advertisement indicating “Franchises Available” or similar phrasing. During our last fiscal year, which ended December 31, 2025, the Brand Building Fund contributions were approximately spent as follows: 63% on technology/resources, 28% on production and agency support, and 9% on website.

### *Local Advertising*

For the period beginning approximately 30 days before you open your FBC Business, and continuing through approximately the first 60 days after you have your FBC Business open and operating, we require that you spend a minimum of \$15,000 on start-up advertising (“Start-Up Advertising”). We recommend you follow the guidelines in the Brand Standards Manual that describe how the Start-Up Advertising should be allocated in order to maximize your advertising efforts.

You are required to spend a minimum of 1% of Gross Revenues on a monthly basis for local advertising beginning 30 days after the opening of your FBC Business. You are required to substantiate local advertising by supplying such information as we may require including tear sheets, paid advertising invoices, and similar documentation (Franchise Agreement, Section XI.B.). You are encouraged to attend, as an exhibitor, each boat expo that takes place in your protected territory or if there is no such expo in your territory, the most appropriate expo relative to your protected territory.

If you wish to advertise online or through social media, you must follow our online advertising policy, which is contained in our Brand Standards Manual. Our online policy may change as technology and the Internet changes. Under our online policy, we may retain the sole right to market on the Internet, including all use of websites, domain names, social media accounts, advertising, and co-branding arrangements. We may restrict your use of social media. We may not allow you to independently market on the Internet, or use any domain name, address, locator, link, metatag, or search technique with words or symbols similar to the Proprietary Marks. We intend that any franchisee website will be accessed only through our home page.

You must order sales and marketing materials from our designated suppliers. It is a material breach of the Franchise Agreement to use other marketing material without obtaining our prior written approval. If you desire to use your own advertising materials, you must obtain our prior approval, which may be granted or denied in our sole discretion (Franchise Agreement, Section XI.B.). We will review your request and we will respond in writing within 15 days from the date we receive all requested information. Our failure to notify you in the specified time frame will be deemed a disapproval of your request. Use of logos, Proprietary Marks, and other name identification materials must be consistent with our approved standards. You may not use our logos, Proprietary Marks, and other name identification materials on items to be sold or services to be provided without our prior written approval. If we approve promotional items or services for sale in your FBC Business, revenue from those items or services must be included in Gross Revenues and will be subject to Royalties, the local advertising requirement, and Brand Building Fund Contributions. If you use unauthorized advertising materials, you must pay a fee of \$500 per occurrence to the Brand Building Fund.

You may be required to participate in local and regional advertising cooperatives (each, a “Co-op”) in connection with the advertising and promotional programs administered by us or other FBC Businesses. If a Co-op is formed in your area, you will be required to pay an amount set by the Co-op, not



to exceed 1.25% of Gross Revenues for each FBC Business that the franchisee owns that exists within the Co-op's area, and will reduce your local advertising requirement, as described above (Franchise Agreement, Section XII.C.). The Co-op members and their elected officers are responsible for administration of the Co-op. Co-op advertising may not mention or state prices for the services available at the FBC Businesses in the Co-op. Each Co-op must prepare quarterly and annual financial statements, and such statements will be provided for review to each member of such Co-op. Such amount shall be uniform to all members in that Co-op (Franchise Agreement, Section XII.A.). We may designate any geographic area for purposes of establishing a Co-op, determine whether a Co-op applies to your Franchise, and require that any existing Co-op be changed, dissolved, or merged with another.

A Co-op must be administered by members of the Co-op who are duly elected by the other members, and must seek and receive our prior written approval of any promotional materials or advertising plans to be used or produced by the Co-op. Each Co-op member will have a vote for each location being operated, except those members who are in default of their Franchise Agreement or any Co-op rules will not be able to vote. If we have a corporate owned or affiliate owned location in the Co-op's geographic area, that location will have the same voting power and will make the same contribution as a non-corporate owned or affiliate owned Franchise in that Co-op. If we do not have a corporate owned or affiliate owned location in the Co-op's geographic area, then we will be a non-voting member of that Co-op. If you do not satisfy your obligations to the Co-op, then we have the right to deduct the funds you owe to the Co-op at the same time and in the same manner as we collect Royalty fees, and remit these funds to the Co-op.

### *Marketing Council*

We have established an advisory committee consisting of franchisees and franchisor representatives who advise and consult on the use of the Brand Building Fund ("Marketing Council"). The organizational structure and manner of operation of the Marketing Council have been determined by us to promote communications between us and all franchisees. We consult with the Marketing Council and consider the council's input and advice concerning the use of the Brand Building Fund. However, we will retain sole discretion over all aspects, including administration and use, of the Brand Building Fund. We have the power to form, change or dissolve the Marketing Council in our sole discretion.

### Computer System

You are obligated to install and to maintain the computer system and equipment sufficient to operate industry standard email and Internet browsing software. The "Computer System" consists of one computer running Microsoft Windows 11 or later (or other approved OS), with licensed QuickBooks and Microsoft Office 365 software programs installed and configured for use in the FBC Business; and one tablet computer configured with reservation system and electronic check in/check out application. You are required to use our standard sales program and reservation system. We estimate the cost of the computer system to be approximately \$1,500 to \$5,000. We provide an Internet reservation system. You must record all Gross Revenues on the Computer System. You must store all data and information in the Computer System that we designate, and report data and information in the manner we specify. The Computer System will generate reports on the Gross Revenues of your FBC Business. You must also maintain a high-speed Internet connection at the FBC Business. In addition to offering and accepting any gift cards and loyalty cards we designate, you must use any payment vendors and accept all payment methods that we determine. We are not required to provide you with any ongoing maintenance, repairs, upgrades, updates, or support for the Computer System (Franchise Agreement, Section VI). The cost of maintaining, updating, or upgrading the Computer System or its components will depend on your repair history, costs of computer maintenance services in your area, and technological advances. We estimate the annual cost will range between \$1,000 and \$2,000, but this could vary (as discussed above). You



must arrange for installation, maintenance, and support of the Computer System at your cost. There are no limitations in the Franchise Agreement regarding the costs of such required support, maintenance, repairs, or upgrades relating to the Computer System. We may revise our specifications for the Computer System periodically. You must upgrade or replace your Computer System at such time as specifications are revised. There is no limitation on the frequency and cost of this obligation.

You may not maintain an Internet site or register a domain name other than one we provide or authorize. We will provide and maintain a portal for your FBC Business linked on the main website for the System. You will be able to modify certain components within the portal to customize it to your FBC Business.

We (or our designee(s)) have the right to independently access all electronic information and data relating to your Franchise and to collect and use your electronic information and data in any manner, including to promote the System and the sale of Franchises. This may include posting financial information of each franchisee on an intranet website. There is no contractual limitation on our right to request, receive or use information through our proprietary data management and intranet system. We may access the electronic information and data from your Computer System remotely, in your FBC Location, or from other locations.

## Training

### *Initial Training*

Prior to the opening of the FBC Business, all owners of the FBC Business and persons with overall responsibility for the day-to-day operation of the FBC Business (including your operating principal) must attend and successfully complete, to our satisfaction, the Initial Training Program at a location designated by us. If any person we require to attend the Initial Training Program does not complete it to our satisfaction, we may terminate your Franchise Agreement. There is no charge for the first four persons who attend the Initial Training Program. You are responsible for all travel, lodging, and subsistence expenses of those persons attending the training session. These costs will vary as a function of the distance traveled, the lodgings selected, the restaurants used, and the type of transportation selected. The Initial Training Program will not exceed five business days and typically takes place about 15 days after the Franchise Agreement is signed. Our training program includes, among other things, FBC Business operations; customer service procedures; management techniques; accounting; general business procedures; Computer System orientation; and sales and marketing (Franchise Agreement, Section V).

Only owners or managers trained by us can have overall responsibility for the operation of the FBC Business, and you will send each owner or manager with responsibility over the day-to-day operations of the FBC Business to us for training unless the training is waived by us.

We plan to provide the training listed in the table below. We reserve the right to vary the length and content of the Initial Training Program based upon the experience and skill level of the individual attending the Initial Training Program.

### **TRAINING PROGRAM**

| Subject             | Hours of Classroom Training | Hours of On-The-Job Training | Location                                       |
|---------------------|-----------------------------|------------------------------|------------------------------------------------|
| Business Definition | 4                           | 0                            | Venice, Florida or other location we designate |



| Subject                | Hours of Classroom Training | Hours of On-The-Job Training | Location                                       |
|------------------------|-----------------------------|------------------------------|------------------------------------------------|
| Marketing              | 4                           | 0                            | Venice, Florida or other location we designate |
| Sales                  | 8                           | 8                            | Venice, Florida or other location we designate |
| Vessel Operations      | 4                           | 4                            | Venice, Florida or other location we designate |
| Reservation Procedures | 1                           | 0                            | Venice, Florida or other location we designate |
| Administration         | 3                           | 0                            | Venice, Florida or other location we designate |
| Wrap-up Q&A            | 4                           | 0                            | Venice, Florida or other location we designate |
| Dockside Operations    | 4                           | 0                            | Venice, Florida or other location we designate |
| Instructor Training    | 2                           | 0                            | Venice, Florida or other location we designate |
| Fleet Maintenance      | 3                           | 0                            | Venice, Florida or other location we designate |
| TOTAL                  | 37                          | 12                           | Venice, Florida or other location we designate |

Notes:

1. The training subjects may vary, and the training may be less than the times indicated above, depending on the number and experience of the attendees. We will use the Brand Standards Manual and other handouts as the primary instruction materials during the Initial Training Program.
2. Scott Ward, our Vice President and General Manager since August 2024, currently oversees our training program. Mr. Ward has worked in the marine industry since 1988 and has been with the franchisor since 2024.
3. Other instructors will include Freedom Boat Club staff members from their respective business unit sharing their knowledge and experience operating a boat club business.

*Ongoing Training*

From time to time, we may require that your operating principal and other previously trained personnel attend system-wide refresher or additional training courses. Some of these courses may be optional, while others may be required. If you appoint a new operating principal or other person of appropriate responsibility, that person must attend and successfully complete our Initial Training Program before assuming responsibility for the management of your FBC Business. If we conduct an inspection of your FBC Business and determine you are not operating in compliance with the Franchise Agreement, we may require that your personnel attend remedial training that addresses your operational deficiencies. You may also request that we provide additional training (either at corporate headquarters or at your FBC Location), which will be conducted at your cost.



## **ITEM 12**

### **TERRITORY**

Your protected territory (“Protected Territory”) is an exclusive territory that is based on the geographic area and population properties within that area and other relevant demographic characteristics. Generally, we will grant only one Franchise to a franchisee for any area with a population of approximately 50,000 to 100,000 people in the designated geographical location. The geographical location itself may also impact the size of your Protected Territory, including the number and size of the bodies of water in or around your Protected Territory. We may offer you a larger Protected Territory if you enter into the Development Addendum and agree to develop additional Satellite Locations under your franchise agreement according to a Development Schedule. However, if you do not meet the Development Schedule, your Protected Territory will typically be reduced to a radius around the then-existing locations, typically between 5 to 10 miles, depending on the geographical location, all as agreed to in your Development Addendum. Except for a reduction if you fail to meet the Development Schedule under a Development Addendum, there are no circumstances that allow us to alter your Protected Territory during the term of your Franchise Agreement. You do not receive the right to acquire additional Franchises unless you purchase the right under a separate franchise agreement. We do not grant you any options or rights of first refusal to purchase existing Franchises or Franchises in certain territories under the Franchise Agreement.

The population statistics used in determining your Protected Territory will be based on numbers derived from U.S. Census data, and supplemented with other information available and other population statistical sources of our choosing to determine populations. In certain densely populated metropolitan areas, a territory may be considerably smaller in geographic area, while franchisees operating in less densely populated urban areas may have significantly larger geographic areas.

During the term of your Franchise Agreement, so long as you are in compliance with the Franchise Agreement, we will not establish, operate, or license others to establish or operate, an FBC Business within your Protected Territory. You may only operate your FBC Business in your Protected Territory. You may only establish one FBC Business within your Protected Territory. You do not have the right to acquire additional franchises within your Protected Territory but we may, in our sole discretion, allow you to operate Satellite Locations within your Protected Territory. If permitted, you will be required to pay the Satellite Location Fee and sign our general release of claims. If you want to acquire an additional FBC Business, you must apply to us, and we may, in our discretion, offer you an additional Franchise. We will designate the territory and determine whether the proposed location for any future Franchise satisfies our then-current site acceptance standards. You may market or solicit customers located anywhere, provided that you do not operate your FBC Business outside your Protected Territory and you comply with the customer marketing, solicitation, and off-site policies and procedures in the Brand Standards Manual and our other written standards. We and other franchisees may market and solicit customers located inside your Protected Territory for business to be conducted with FBC Businesses located outside your Protected Territory. However, neither we nor another franchisee may operate an FBC Business within your Protected Territory. We will not be required to pay any compensation for soliciting or accepting orders inside your Protected Territory. We are not required to pay you if we exercise any of our rights within your Protected Territory. You may not sell products through other channels of distribution such as wholesale, Internet or mail order sales without our prior written approval.

We retain the right, for ourselves and our affiliates, on any terms we deem advisable, and without granting you any rights, all territorial rights not expressly granted to you. These include the right to:



1. to own, franchise, or operate FBC Businesses at any location outside of your Protected Territory, regardless of the proximity to your FBC Business(es);
2. to use the Proprietary Marks and the System to sell any products or services similar to those which you will sell, through any alternate channels of distribution within or outside of your Protected Territory. This includes, but is not limited to, retail locations and other channels of distribution such as television, mail order, catalog sales, wholesale to unrelated retail outlets, or over the Internet;
3. to use and license the use of other proprietary and non-proprietary marks or methods which are not the same as or confusingly similar to the Proprietary Marks, whether in alternative channels of distribution or in the operation of a business offering shared boat access, boat rental and related products and services, at any location, including within your Protected Territory, which may be similar to or different from the business operated by you;
4. to engage in any transaction, including to purchase or be purchased by, merge or combine with, to convert to the System or be converted into a new system with any business whether franchised or corporately owned, including a business that competes directly or indirectly with your FBC Business, whether located inside or outside your Protected Territory, provided that any competing businesses located inside your Protected Territory will not operate under the Proprietary Marks;
5. to use and license the use of technology to non-franchisee locations inside and outside your Protected Territory; and
6. to implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs.

Although we reserve the rights described, neither we nor any affiliate, operates, franchises or has plans to operate or franchise a business under a different trademark that sells or will sell goods or services similar to those offered by you or our other Franchises.

You may not relocate your FBC Business without our prior written consent. We may approve a request to relocate your FBC Business in accordance with the provisions of the Franchise Agreement that provide for the relocation of your FBC Business, and our then-current site selection policies and procedures.

If you want to renew your Franchise Agreement, you must achieve \$500,000 in Gross Revenues during the final 12 months of your term. The minimum Gross Revenues criteria should not be considered (and is not intended to be) a statement of projected income by us. Otherwise, the continuation of the Protected Territory is not dependent upon your achievement of a certain sales volume, market penetration, or other contingency.

### **ITEM 13** **TRADEMARKS**

The Franchise Agreement and your payment of Royalties grant you the non-exclusive right and license to use the System, which includes the use of the Proprietary Marks. You may only use those Proprietary Marks as designated by us in writing for your use, and you may use them only in the manner permitted by us. The following principal trademarks are registered with the United States Patent and Trademark Office (the “USPTO”):





| Registered Mark                                                                   | Registration Number | Registration Date  | Register  |
|-----------------------------------------------------------------------------------|---------------------|--------------------|-----------|
| <b>THE BOAT IS WAITING</b>                                                        | 3,522,198           | October 21, 2008   | Principal |
|  | 3,525,448           | October 28, 2008   | Principal |
| <b>BOATING MADE SIMPLE</b>                                                        | 4,813,762           | September 15, 2015 | Principal |
| <b>FREEDOM BOAT CLUB</b>                                                          | 5,432,435           | March 27, 2018     | Principal |
| <b>FREEDOM BOAT SISTERS</b>                                                       | 6,992,387           | February 28, 2023  | Principal |

There are no effective adverse material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and there are no pending infringement, opposition, or cancellation proceedings or material litigation involving the Proprietary Marks. All required affidavits and renewals have been filed. There are no infringing uses actually known to us that would materially affect your use of the Proprietary Marks. There are no agreements in effect that significantly limit our rights to use or license the use of the Proprietary Marks. All required affidavits and renewals have been filed.

There are no infringing uses actually known to us which would materially affect your use of the Proprietary Marks. There are no agreements in effect that significantly limit our rights to use or license the use of the Proprietary Marks.

In the event you receive notice or are informed of any claim, suit, or demand against your use of any Proprietary Mark, you are obligated to promptly notify us. We have the sole discretion to take any action (including taking no action) we deem appropriate. We are not obligated by the Franchise Agreement to defend you against any infringement, unfair competition, or other claim relating to or arising from use of the Proprietary Marks. We will reimburse you for actual damages (other than loss of income) and expenses reasonably incurred by you as the result of any claim made by any third party for infringement, unfair competition, or similar matters involving your use of the Proprietary Marks provided you satisfy certain conditions listed in the Franchise Agreement.

We alone have the right to control or settle any legal actions or proceedings. We may, at our sole discretion, prosecute or defend any actions or proceedings which we deem necessary or desirable for the protection of the Proprietary Marks. You agree not to contest our right, title, or interest in the Proprietary Marks. You must execute all instruments and documents, render assistance, and do these acts and things as may, in the opinion of our counsel, be necessary or advisable to protect and maintain our interest in any litigation or other proceeding, or otherwise to protect and maintain our interest in the Proprietary Marks.





If it becomes advisable at any time, in our sole discretion, to modify or discontinue the use of any names or Proprietary Marks, you must use one or more additional or substitute Proprietary Marks, and do so at your expense.

You cannot use our name, Proprietary Marks, or variants of either as part of a business organization name. You must obtain fictitious or assumed name registration as required by local law. You may not file a trade name registration that includes the name “Freedom.” You may not maintain an Internet site or register a domain name, username, handle, or social media account using or referring to the Proprietary Marks except as we provide or expressly authorize in writing. You may not use the FBC Business name for the sale of unauthorized products or services or in a manner not authorized in writing by us. You must use the Proprietary Marks as we require. You may not use the Proprietary Marks in any advertising for the transfer, sale, or other disposition of the FBC Business or any interest in the Franchise. All rights and goodwill from the use of the Proprietary Marks accrue to us.

#### **ITEM 14**

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

There are no patents or patents pending that are material to the Franchise. We claim copyright protection in the Brand Standards Manual and related materials, and in our advertising and promotional materials, although those materials are not currently registered with the United States Copyright Office. These materials are considered proprietary and/or confidential and are considered our property. These materials may be used by you only to the extent provided in the Franchise Agreement.

There are no effective determinations of the United States Copyright Office or any court regarding any of these copyrighted materials. There are no agreements in effect which significantly limit our right to use or license the copyrighted materials. There are no infringing uses actually known to us which could materially affect your use of the copyrighted materials in any state. We are not required by any agreement to protect or defend copyrights.

You must treat the Brand Standards Manual, any other manuals created for or approved for use in the operation of the FBC Business, and the information contained in them, as confidential, and must use all reasonable efforts to maintain this information as secret and confidential. You may not copy, duplicate, record, reproduce, or disclose these materials except as we authorize. The Brand Standards Manual remains our sole property and must be maintained securely in the manner we require, whether in physical or electronic form.

We may revise the contents of the Brand Standards Manual, and you must comply with each new or changed standard. The Brand Standards Manual and your obligations may be modified to reflect changes in the System. You must keep your copy of the Brand Standards Manual current by promptly implementing all updates we provide. In the event of a dispute regarding the contents of the Brand Standards Manual, the master version maintained by us, including any electronic master version, will control. In the event of any disputes as to the contents of the Brand Standards Manual, the terms of the master copy maintained by us at our home office will be controlling.

We will disclose to you certain confidential or proprietary information and trade secrets. Except as necessary to operate the FBC Business and as we authorize, you may not, during the term of the Franchise Agreement or after it expires or terminates, directly or indirectly use for your own benefit, disclose to any person or entity, or use for the benefit of any other person or entity any trade secrets, confidential information, knowledge, or know-how relating to the services, advertising, marketing, designs, plans, or methods of operation of the FBC Business or the System. This restriction includes entering our confidential information into public or third-party artificial intelligence tools except as we



expressly authorize in writing. You may disclose confidential, proprietary, or trade secret information to your employees and other authorized personnel only to the extent necessary to operate the FBC Business and only subject to appropriate confidentiality obligations. Any and all information, knowledge, or know-how, including materials, equipment, marketing, and other data which we designate as secret or confidential will be deemed secret and confidential for purposes of the Franchise Agreement.

At our request, you must require all personnel having access to any of our confidential information to execute a Confidentiality Agreement in the form attached as Exhibit H such that they will maintain the confidentiality of information they receive in connection with their employment by you at the FBC Business. We also consider certain elements of the FBC Business's trade dress and overall method and style of doing business to be proprietary and seek to protect them under applicable federal and state law.

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

We require that you directly operate your FBC Business. We recommend that you form an entity to be the franchisee. If you do form an entity (and you are not an individual), you must designate an "Operating Principal" acceptable to us who will be principally responsible for communicating with us about the FBC Business. The Operating Principal must have the authority and responsibility for the day-to-day operations of your FBC Business and must have at least a twenty-five percent (25%) equity interest in you. You or your Operating Principal and such other persons we require, if any, must successfully complete our training program (See Item 11). If you replace your Operating Principal, the new Operating Principal must satisfactorily complete our training program at your own expense.

If you are an entity, any officer that does not directly or indirectly own equity in the franchisee entity must sign the "System Protection Agreement," the form of which is attached to this Franchise Disclosure Document in Exhibit H. All of your employees, independent contractors, agents or representatives that may have access to our confidential information must sign a confidentiality agreement (unless they already signed a System Protection Agreement), the current form of which is attached to this Franchise Disclosure Document in Exhibit H. If you are an entity, each direct and indirect owner (i.e., each person holding a direct or indirect ownership interest in you) must sign an owners agreement, the form of which is attached to the Franchise Agreement as Attachment D (the "Owners Agreement"). We also require that the spouses of the Franchise owners sign the Owners Agreement.

You must at all times faithfully, honestly, and diligently perform your obligations under the Franchise Agreement and continuously exert your best efforts to promote and enhance the FBC Business for the full term of the Franchise Agreement. You must not engage in any other business or activity that conflicts with your obligations under the Franchise Agreement. You and your Operating Principal must devote the time, attention, and effort reasonably necessary to manage and operate the FBC Business in compliance with the Franchise Agreement.

We offer Franchises to individuals and business entities in our sole discretion. If you transfer the Franchise Agreement and the assets and liabilities of the FBC Business to a business organization or entity (i.e., a corporation, partnership, limited liability company, or other similar entity) (a "Business Entity"), or if you are a Business Entity, all of the following conditions must be met:

- (a) The Business Entity must conduct no business other than your FBC Business.
- (b) Your Operating Principal must actively manage and own at least 25% of the Business Entity and have the authority to control, and direct its operations either through binding written agreements, governing documents, or voting power.



- (c) You must provide us with copies of all governing documents of the Business Entity, and of any business entity that directly or indirectly has ownership in the Business Entity (Articles of Incorporation or Organization, Bylaws, agreements among owners, etc.).
- (d) The governing documents of the Business Entity (and of any business entity that directly or indirectly has ownership in the Business Entity) must recite that the issuance and assignment of any ownership interest (i.e., corporate stock, partnership, or membership interests) are restricted by the terms of the Franchise Agreement.
- (e) All issued and outstanding ownership interests of the Business Entity (and of any business entity that directly or indirectly has ownership in the Business Entity) must bear a legend reciting or referring to the restrictions of the Franchise Agreement on the issuance and transfer of ownership interests in the Business Entity (and of any business entity that directly or indirectly has ownership in the Business Entity).
- (f) As a condition to our approval of the issuance or transfer of direct and indirect ownership interests to any person other than you, we require (in addition to the other requirements we have the right to impose) that the proposed owner sign our standard form of Owners Agreement.
- (g) We require all direct and indirect principal owners of a Business Entity (and of any business entity that directly or indirectly has ownership in the Business Entity) and their spouses to sign our standard form of Owners Agreement which guarantees the Business Entity's obligations under the Franchise Agreement.
- (h) You must promptly notify us of any proposed changes in the direct and indirect principal owners of the Business Entity, or in the governing documents of the Business Entity or of any entity that directly or indirectly owns an interest in it.

#### **ITEM 16**

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

You must operate the FBC Business in strict conformity with the Franchise Agreement and with all of our required methods, procedures, policies, standards, and specifications, as contained in the Brand Standards Manual and in writing by us. We require you to offer only those services that we have approved. You have to offer all services that we designate as required for all franchisees. You must refrain from any deviation from our standards and specifications without our prior written consent. As of the Issuance Date of the Franchise Disclosure Document, the authorized services are membership-only boat club services. You may only offer the types of memberships that we expressly designate.

The System utilizes a membership program in which a Member of any FBC Business can enjoy world-wide privileges at all FBC Business locations as a reciprocal benefit. You must provide Members of other participating FBC Businesses with reciprocal access and services at your FBC Business in accordance with the Brand Standards Manual. You will not receive fees or other compensation for providing those reciprocal benefits unless the Brand Standards Manual or other written standards provide otherwise. That factor may negatively affect revenues for your FBC Business. A high percentage of the services could be reciprocal services for which you do not receive compensation, particularly during the first few years your FBC Business is open. You may provide more reciprocal benefits to outside members than other franchisees. Factors that may impact the number of reciprocal members at your FBC Business include the length of time your FBC Business has been open, the proximity of your FBC Business to other franchisees, the length of the boating season where your FBC Business is open and whether your FBC Business is located in an area popular for travel and vacations.

If a Member requests a Member Transfer from your FBC Business to an FBC Business owned and operated by another franchisee or an affiliate of the Franchisor, you must reasonably assist with that Member Transfer and may not charge the Member any fee for that assistance. A Member Transfer is a



permanent change of the Member's home club. The Member's existing membership agreement with your FBC Business will end, and the Member must sign a new membership agreement with the receiving FBC Business. The receiving FBC Business may charge the Member a transfer fee in an amount not to exceed the lesser of \$1,000 or the then-current maximum amount permitted under the Brand Standards Manual or otherwise communicated by us in writing. The receiving FBC Business may not charge an additional initiation fee for the same membership type in connection with that Member Transfer.

To the extent applicable, we will administer franchisee-to-franchisee collections and payments for fuel and other incidental expenses relating to Members who use locations in this manner, in accordance with the Brand Standards Manual. The uniformity of services at all locations is critically important to the success of your FBC Business and to the success of our System.

We reserve the right to designate additional authorized products and services in the future and to withdraw prior authorizations. If we do so, you must comply with the new requirements and bear any associated costs or expenses, subject to the Franchise Agreement and applicable law. We may change the types of authorized and required products and services you offer.

There are no restrictions on the prices at which you may sell your products or services, except that we may recommend prices, and set maximum and minimum prices if permitted by law.

You may not create, maintain, or use any website, domain name, social media account, crowdfunding campaign, blog, or similar online presence relating to the Franchise, the System, us, or any of our affiliates except as permitted by our Brand Standards Manual, online policies, and other written standards, or with our prior written consent. You are not limited as to the customers to whom you may sell, provided that you operate your FBC Business only within your Protected Territory and comply with Item 12 and our policies regarding customer solicitation, off-site activity, and out-of-territory marketing.

#### **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.**

| Provision                           | Section in Franchise Agreement | Summary                                                                                                            |
|-------------------------------------|--------------------------------|--------------------------------------------------------------------------------------------------------------------|
| a. Length of the Franchise term     | Section II.A                   | Five years.                                                                                                        |
| b. Renewal or extension of the term | Section II.B                   | If you are in good standing and you meet other requirements, you may enter into two successor terms of five years. |



| Provision                                         | Section in Franchise Agreement | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| c. Requirements for Franchisee to renew or extend | Section II.B                   | The term “renewal” or “successor” refers to extending our franchise relationship at the end of your initial term and any other renewal or extension of the initial term. Your successor franchise rights permit you to remain as a Franchisee after the initial term of your Franchise Agreement expires. You must have not been in default of the Franchise Agreement, received satisfactory inspection reports during the term, give written notice, achieved a minimum Gross Revenue threshold of \$500,000 during the final 12 months of the term of your Franchise Agreement, sign our then-current franchise agreement and any ancillary documents for the successor term, and this new franchise agreement may have materially different terms and conditions (including, for example, higher Royalty and Brand Building Fund Contributions) from the Franchise Agreement that covered your initial term, execute a general release, complete any required upgrades or renovations, comply with then-current training requirements, pay successor franchise fee, and conditioned on Franchisee’s ability to continue in the location or relocate within the Protected Territory. |
| d. Termination by Franchisee                      | Section XIX.C                  | You may terminate the Franchise Agreement if you are in compliance with it and we are in material breach, and we fail to cure that breach within 90 days of receiving written notice, subject to applicable state law.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| e. Termination by franchisor without cause        | Not applicable                 | Not applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| f. Termination by franchisor with cause           | Section XIX                    | We can terminate upon certain violations of the Franchise Agreement by you.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| g. “Cause” defined - curable defaults             | Section XIX.C                  | You have ten days to cure nonpayment; ten days to cure failure to comply with laws; 30 days to cure: failure to operate; failure to comply with other terms of the Franchise Agreement; failure to pay others; default under lease/sublease.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| h. “Cause” defined - non-curable defaults         | Sections XIX.A and XIX.B       | Non-curable defaults: bankruptcy; insolvency; foreclosure; abandonment; misrepresentation; reputational harm; criminal misconduct; duplication of system; failure to pay third parties resulting in franchisor action, under-reporting; three defaults within any 12 month period; transfer without consent; loss of premises; failure to operate during required hours; intellectual property misuse; loss of license; failure to open; danger to public health; violation of covenants; failure to complete training. A provision in the Franchise Agreement that terminates the FBC Business upon you becoming bankrupt may not be enforceable under Title 11, U.S. Code Section 101.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |



| Provision                                                               | Section in Franchise Agreement                                                | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------------------|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i. Franchisee's obligations on termination / non-renewal                | Section XXI; (also Confidentiality Agreement and System Protection Agreement) | Obligations include complete de-identification; return of Brand Standards Manual and confidential information materials; change telephone numbers; pay all amounts due; cease operating; cease use of Proprietary Marks, comply with non-competition, non-solicitation and nondisclosure covenants.                                                                                                                                                                                                                                                                                                                                                                                          |
| j. Assignment of contract by franchisor                                 | Section XV.A                                                                  | No restriction on our right to assign.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| k. "Transfer" by franchisee - defined                                   | Section XV.B                                                                  | Includes any voluntary, involuntary, direct, or indirect assignment, sale, gift, exchange, grant of a security interest, or change of ownership in the Franchise Agreement, the Franchise, or interest in the Franchise.                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| l. Franchisor approval of transfer by Franchisee                        | Section XV.B                                                                  | We have the right to approve or reject all transfers.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| m. Conditions for franchisor approval of transfer                       | Section XV.B                                                                  | Full compliance; transferee qualifies; Franchisee provide financial information, transfer terms approved; transferee assumes franchisee obligations; franchisee agrees to non-competition and non-solicitation covenants; reimburse franchisor's costs, including broker fees; all amounts due are paid in full; completion of training; transfer fee paid; transferee agrees to be bound by the terms of the then-current Franchise Agreement; you execute or deliver other required documents, including release.                                                                                                                                                                          |
| n. Franchisor's right of first refusal to acquire Franchisee's business | Section XV.D                                                                  | We can match any offer to acquire your FBC Business.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| o. Franchisor's option to purchase Franchisee's business                | Section XV                                                                    | We may, but are not required to, assume or purchase the lease for your FBC Business or assets and real property at fair market value if your Franchise is terminated by giving you written notice of our intent to exercise this option within 30 days after the date of termination or expiration of the Franchise Agreement.                                                                                                                                                                                                                                                                                                                                                               |
| p. Death or disability of Franchisee                                    | Section XV.H                                                                  | Franchise or ownership interest must be assigned to an approved buyer within nine months.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| q. Non-competition covenants during the term of the Franchise           | Section XVII.A                                                                | Neither you, your principal owners, nor any immediate family members of you or your principal owners may participate in a diverting business, have no owning interest in, loan money to, or perform services for a competitive business anywhere; you may not interfere with our or our other franchisees' Freedom Boat Club franchisee(s); may not solicit, encourage, or induce any customer doing business with any other franchisee to commence doing business with you; and/or solicit, divert, take away, or interfere with any of our, or our parents', subsidiaries' or affiliates', customers, clients, contractors, business, trade or patronage, subject to applicable state law. |





| Provision                                                                 | Section in Franchise Agreement | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------------------------------------------|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| r. Non-competition covenants after the Franchise is terminated or expires | Section XVII.A                 | Owners cannot have an interest in any competing business for two years at or within (i) 50 miles of the boundaries of your Protected Territory; or (ii) 50 miles of the location of any other FBC Business, either opened or under development and either owned by another franchisee or owned by us or our parents, subsidiaries or affiliates of Franchisor. Owners may not solicit, encourage, or induce any customer doing business with any other franchisee to commence doing business with you; and/or solicit, divert, take away, or interfere with any of our, or our parents', subsidiaries' or affiliates', customers, clients, contractors, business, trade or patronage, for two years, subject to applicable state law. |
| s. Modification of the agreement                                          | Section XXIV.C                 | No modification, but Brand Standards Manual and System subject to change at the sole discretion of Franchisor.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| t. Integration/merger clause                                              | Section XXIV.C                 | Only the terms of the Franchise Agreement and other related written agreements are binding (subject to state law). Any representations or promises outside of this Franchise Disclosure Document and Franchise Agreement may not be enforceable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| u. Dispute resolution by arbitration or mediation                         | Section XXIII                  | Except for certain claims, all disputes must be mediated and arbitrated in the principal city nearest to Franchisor's principal place of business (currently, Sarasota, Florida), subject to applicable state law.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| v. Choice of forum                                                        | Sections XXIII; and XXIV.K     | All disputes must be mediated, arbitrated, and if applicable, litigated in the appropriate state or federal court with jurisdiction in the principal city closest to our principal place of business (currently Sarasota, Florida), subject to applicable state law.                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| w. Choice of law                                                          | Section XXIV.J                 | Florida law, except for the Florida Sale of Business Opportunities Act unless its jurisdictional elements are independently met without reference to this section applies, subject to applicable state law.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

## **ITEM 18**

### **PUBLIC FIGURES**

We do not currently use any public figure to promote our Franchises.

## **ITEM 19**

### **FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC's Franchise Rule permits a franchisor to disclose information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, and/or affiliate owned outlets, if there is a reasonable basis for the information, and 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 performance at a particular location or under particular circumstances.





We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Scott Ward, Freedom Franchise Systems, LLC, 10975 Hughey Kimal Drive, Venice, FL 34292, Phone: (941) 451-8756, the Federal Trade Commission, and the appropriate state regulatory agencies

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

Table No. 1

System-wide Outlet Summary  
For Years 2023-2025

| Outlet Type    | Year | Outlets at the Start of the Year | Outlets at the End of the Year | Net Change |
|----------------|------|----------------------------------|--------------------------------|------------|
| Franchised     | 2023 | 240                              | 266                            | 26         |
|                | 2024 | 266                              | 269                            | +3         |
|                | 2025 | 269                              | 288                            | +19        |
| Company-Owned* | 2023 | 112                              | 129                            | 17         |
|                | 2024 | 129                              | 139                            | +10        |
|                | 2025 | 139                              | 149                            | +10        |
| Total Outlets  | 2023 | 352                              | 395                            | +43        |
|                | 2024 | 395                              | 408                            | +13        |
|                | 2025 | 408                              | 437                            | +29        |

\*These outlets are operated by our affiliates.

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)  
For Years 2023-2025

| State | Year | Number of Transfers |
|-------|------|---------------------|
| Idaho | 2023 | 0                   |
|       | 2024 | 2                   |
|       | 2025 | 0                   |



| State         | Year | Number of Transfers |
|---------------|------|---------------------|
| Massachusetts | 2023 | 0                   |
|               | 2024 | 0                   |
|               | 2025 | 1                   |
| New Hampshire | 2023 | 0                   |
|               | 2024 | 0                   |
|               | 2025 | 2                   |
| New York      | 2023 | 0                   |
|               | 2024 | 0                   |
|               | 2025 | 1                   |
| Pennsylvania  | 2023 | 1                   |
|               | 2024 | 0                   |
|               | 2025 | 0                   |
| Totals        | 2023 | 1                   |
|               | 2024 | 2                   |
|               | 2025 | 4                   |

Table No. 3

Status of Franchised Outlets  
For Years 2023-2025

| State                | Year | Outlets at Start of the Year | Outlets Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations-Other Reasons | Outlets at End of the Year |
|----------------------|------|------------------------------|----------------|--------------|--------------|--------------------------|---------------------------------|----------------------------|
| Alabama              | 2023 | 4                            | 0              | 0            | 0            | 0                        | 0                               | 4                          |
|                      | 2024 | 4                            | 2              | 0            | 0            | 0                        | 1                               | 5                          |
|                      | 2025 | 5                            | 0              | 0            | 0            | 0                        | 0                               | 5                          |
| Arkansas             | 2023 | 1                            | 0              | 0            | 0            | 0                        | 0                               | 1                          |
|                      | 2024 | 1                            | 0              | 0            | 0            | 0                        | 0                               | 1                          |
|                      | 2025 | 1                            | 2              | 0            | 0            | 0                        | 0                               | 3                          |
| California           | 2023 | 16                           | 1              | 0            | 0            | 0                        | 1                               | 16                         |
|                      | 2024 | 16                           | 0              | 0            | 0            | 0                        | 1                               | 15                         |
|                      | 2025 | 15                           | 2              | 0            | 0            | 0                        | 1                               | 16                         |
| Delaware             | 2023 | 5                            | 2              | 0            | 0            | 0                        | 0                               | 7                          |
|                      | 2024 | 7                            | 0              | 0            | 0            | 0                        | 0                               | 7                          |
|                      | 2025 | 7                            | 0              | 0            | 0            | 0                        | 0                               | 7                          |
| District of Columbia | 2023 | 2                            | 0              | 0            | 0            | 0                        | 0                               | 2                          |
|                      | 2024 | 2                            | 0              | 0            | 0            | 0                        | 0                               | 2                          |
|                      | 2025 | 2                            | 0              | 0            | 0            | 0                        | 0                               | 2                          |



| State         | Year | Outlets at Start of the Year | Outlets Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations-Other Reasons | Outlets at End of the Year |
|---------------|------|------------------------------|----------------|--------------|--------------|--------------------------|---------------------------------|----------------------------|
| Florida       | 2023 | 40                           | 5              | 0            | 0            | 0                        | 2                               | 43                         |
|               | 2024 | 43                           | 1              | 0            | 0            | 13                       | 2                               | 29                         |
|               | 2025 | 29                           | 5              | 2            | 0            | 0                        | 1                               | 31                         |
| Georgia       | 2023 | 6                            | 0              | 0            | 0            | 2                        | 0                               | 4                          |
|               | 2024 | 4                            | 0              | 0            | 0            | 0                        | 0                               | 4                          |
|               | 2025 | 4                            | 1              | 0            | 0            | 0                        | 0                               | 5                          |
| Idaho         | 2023 | 1                            | 1              | 0            | 0            | 0                        | 0                               | 2                          |
|               | 2024 | 2                            | 0              | 0            | 0            | 0                        | 0                               | 2                          |
|               | 2025 | 2                            | 0              | 0            | 0            | 0                        | 0                               | 2                          |
| Indiana       | 2023 | 2                            | 0              | 0            | 0            | 0                        | 0                               | 2                          |
|               | 2024 | 2                            | 3              | 0            | 0            | 0                        | 1                               | 4                          |
|               | 2025 | 4                            | 0              | 0            | 0            | 0                        | 0                               | 4                          |
| Iowa          | 2023 | 2                            | 1              | 0            | 0            | 0                        | 0                               | 3                          |
|               | 2024 | 3                            | 0              | 0            | 0            | 0                        | 0                               | 3                          |
|               | 2025 | 3                            | 1              | 0            | 0            | 0                        | 2                               | 2                          |
| Kentucky      | 2023 | 1                            | 0              | 0            | 0            | 0                        | 0                               | 1                          |
|               | 2024 | 1                            | 0              | 0            | 0            | 0                        | 0                               | 1                          |
|               | 2025 | 1                            | 0              | 0            | 0            | 0                        | 1                               | 0                          |
| Louisiana     | 2023 | 1                            | 0              | 0            | 0            | 0                        | 0                               | 1                          |
|               | 2024 | 1                            | 0              | 0            | 0            | 0                        | 0                               | 1                          |
|               | 2025 | 1                            | 0              | 0            | 0            | 0                        | 0                               | 1                          |
| Maine         | 2023 | 6                            | 1              | 0            | 0            | 0                        | 0                               | 7                          |
|               | 2024 | 7                            | 0              | 0            | 0            | 0                        | 1                               | 6                          |
|               | 2025 | 6                            | 0              | 0            | 0            | 0                        | 0                               | 6                          |
| Maryland      | 2023 | 11                           | 0              | 0            | 0            | 0                        | 1                               | 10                         |
|               | 2024 | 10                           | 2              | 0            | 0            | 0                        | 2                               | 10                         |
|               | 2025 | 10                           | 0              | 0            | 0            | 0                        | 0                               | 10                         |
| Massachusetts | 2023 | 19                           | 2              | 0            | 0            | 0                        | 0                               | 21                         |
|               | 2024 | 21                           | 1              | 0            | 0            | 0                        | 0                               | 22                         |
|               | 2025 | 22                           | 1              | 0            | 0            | 0                        | 0                               | 23                         |
| Michigan      | 2023 | 12                           | 2              | 0            | 0            | 0                        | 2                               | 12                         |
|               | 2024 | 12                           | 2              | 0            | 0            | 0                        | 2                               | 12                         |
|               | 2025 | 12                           | 1              | 0            | 0            | 0                        | 1                               | 12                         |
| Mississippi   | 2023 | 1                            | 0              | 0            | 0            | 0                        | 0                               | 1                          |
|               | 2024 | 1                            | 0              | 0            | 0            | 0                        | 0                               | 1                          |
|               | 2025 | 1                            | 0              | 0            | 0            | 0                        | 0                               | 1                          |
| Missouri      | 2023 | 4                            | 0              | 0            | 0            | 0                        | 0                               | 4                          |
|               | 2024 | 4                            | 0              | 0            | 0            | 0                        | 1                               | 3                          |
|               | 2025 | 3                            | 1              | 0            | 0            | 0                        | 0                               | 4                          |



| State             | Year | Outlets at Start of the Year | Outlets Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations-Other Reasons | Outlets at End of the Year |
|-------------------|------|------------------------------|----------------|--------------|--------------|--------------------------|---------------------------------|----------------------------|
| New Hampshire     | 2023 | 2                            | 0              | 0            | 0            | 0                        | 0                               | 2                          |
|                   | 2024 | 2                            | 1              | 0            | 0            | 0                        | 0                               | 3                          |
|                   | 2025 | 3                            | 0              | 0            | 0            | 0                        | 0                               | 3                          |
| New Jersey        | 2023 | 13                           | 3              | 1            | 0            | 0                        | 0                               | 15                         |
|                   | 2024 | 15                           | 2              | 0            | 0            | 0                        | 1                               | 16                         |
|                   | 2025 | 16                           | 3              | 0            | 0            | 0                        | 2                               | 17                         |
| New York          | 2023 | 9                            | 1              | 0            | 0            | 0                        | 1                               | 9                          |
|                   | 2024 | 9                            | 1              | 0            | 0            | 0                        | 1                               | 9                          |
|                   | 2025 | 9                            | 4              | 0            | 0            | 0                        | 0                               | 13                         |
| North Carolina    | 2023 | 8                            | 1              | 0            | 0            | 0                        | 0                               | 9                          |
|                   | 2024 | 9                            | 1              | 0            | 0            | 0                        | 1                               | 9                          |
|                   | 2025 | 9                            | 1              | 0            | 0            | 0                        | 0                               | 10                         |
| Ohio              | 2023 | 8                            | 1              | 0            | 0            | 0                        | 0                               | 9                          |
|                   | 2024 | 9                            | 0              | 0            | 0            | 0                        | 0                               | 9                          |
|                   | 2025 | 9                            | 0              | 0            | 0            | 0                        | 0                               | 9                          |
| Oregon            | 2023 | 1                            | 0              | 0            | 0            | 0                        | 0                               | 1                          |
|                   | 2024 | 1                            | 0              | 0            | 0            | 0                        | 0                               | 1                          |
|                   | 2025 | 1                            | 0              | 0            | 0            | 0                        | 0                               | 1                          |
| Pennsylvania      | 2023 | 2                            | 0              | 0            | 0            | 0                        | 0                               | 2                          |
|                   | 2024 | 2                            | 0              | 0            | 0            | 0                        | 0                               | 2                          |
|                   | 2025 | 2                            | 1              | 0            | 0            | 0                        | 0                               | 3                          |
| Puerto Rico       | 2023 | 0                            | 2              | 0            | 0            | 0                        | 0                               | 2                          |
|                   | 2024 | 2                            | 1              | 0            | 0            | 0                        | 0                               | 3                          |
|                   | 2025 | 3                            | 2              | 0            | 0            | 0                        | 2                               | 3                          |
| South Carolina    | 2023 | 6                            | 1              | 0            | 0            | 3                        | 0                               | 4                          |
|                   | 2024 | 4                            | 0              | 0            | 0            | 0                        | 0                               | 4                          |
|                   | 2025 | 4                            | 2              | 0            | 0            | 0                        | 0                               | 6                          |
| Tennessee         | 2023 | 9                            | 2              | 0            | 0            | 0                        | 0                               | 11                         |
|                   | 2024 | 11                           | 2              | 0            | 0            | 0                        | 1                               | 12                         |
|                   | 2025 | 12                           | 0              | 0            | 0            | 0                        | 0                               | 12                         |
| Texas             | 2023 | 10                           | 2              | 0            | 0            | 0                        | 0                               | 12                         |
|                   | 2024 | 12                           | 2              | 0            | 0            | 0                        | 1                               | 13                         |
|                   | 2025 | 13                           | 0              | 0            | 0            | 0                        | 0                               | 13                         |
| Virginia          | 2023 | 7                            | 1              | 0            | 0            | 0                        | 1                               | 7                          |
|                   | 2024 | 7                            | 0              | 0            | 0            | 0                        | 0                               | 7                          |
|                   | 2025 | 7                            | 1              | 0            | 0            | 0                        | 1                               | 7                          |
| Washington        | 2023 | 13                           | 1              | 0            | 0            | 0                        | 0                               | 14                         |
|                   | 2024 | 14                           | 0              | 0            | 0            | 0                        | 0                               | 14                         |
|                   | 2025 | 14                           | 0              | 0            | 0            | 0                        | 0                               | 14                         |
| British Columbia, | 2023 | 5                            | 0              | 1            | 0            | 0                        | 0                               | 4                          |



| State               | Year | Outlets at Start of the Year | Outlets Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations-Other Reasons | Outlets at End of the Year |
|---------------------|------|------------------------------|----------------|--------------|--------------|--------------------------|---------------------------------|----------------------------|
| Canada              | 2024 | 4                            | 1              | 0            | 0            | 0                        | 1                               | 4                          |
|                     | 2025 | 4                            | 0              | 0            | 0            | 0                        | 0                               | 4                          |
| Nova Scotia, Canada | 2023 | 2                            | 0              | 0            | 0            | 0                        | 0                               | 2                          |
|                     | 2024 | 2                            | 0              | 0            | 0            | 0                        | 0                               | 2                          |
|                     | 2025 | 2                            | 0              | 0            | 0            | 0                        | 0                               | 2                          |
| Ontario, Canada     | 2023 | 6                            | 0              | 3            | 0            | 0                        | 0                               | 3                          |
|                     | 2024 | 3                            | 0              | 0            | 0            | 0                        | 0                               | 3                          |
|                     | 2025 | 3                            | 0              | 0            | 0            | 0                        | 0                               | 3                          |
| Australia           | 2023 | 0                            | 6              | 0            | 0            | 0                        | 0                               | 6                          |
|                     | 2024 | 6                            | 0              | 0            | 0            | 0                        | 0                               | 6                          |
|                     | 2025 | 6                            | 1              | 0            | 0            | 0                        | 0                               | 7                          |
| Denmark             | 2023 | 0                            | 0              | 0            | 0            | 0                        | 0                               | 0                          |
|                     | 2024 | 0                            | 2              | 0            | 0            | 0                        | 0                               | 2                          |
|                     | 2025 | 2                            | 0              | 0            | 0            | 0                        | 1                               | 1                          |
| France              | 2023 | 3                            | 2              | 0            | 0            | 0                        | 0                               | 5                          |
|                     | 2024 | 5                            | 0              | 0            | 0            | 0                        | 0                               | 5                          |
|                     | 2025 | 5                            | 2              | 0            | 0            | 0                        | 0                               | 7                          |
| New Zealand         | 2023 | 0                            | 0              | 0            | 0            | 0                        | 0                               | 0                          |
|                     | 2024 | 0                            | 1              | 0            | 0            | 0                        | 0                               | 1                          |
|                     | 2025 | 1                            | 1              | 0            | 0            | 0                        | 0                               | 2                          |
| Spain               | 2023 | 0                            | 5              | 0            | 0            | 0                        | 0                               | 5                          |
|                     | 2024 | 5                            | 5              | 0            | 0            | 0                        | 0                               | 10                         |
|                     | 2025 | 10                           | 1              | 0            | 0            | 0                        | 0                               | 11                         |
| United Kingdom      | 2023 | 2                            | 1              | 0            | 0            | 0                        | 0                               | 3                          |
|                     | 2024 | 3                            | 3              | 0            | 0            | 0                        | 0                               | 6                          |
|                     | 2025 | 6                            | 0              | 0            | 0            | 0                        | 0                               | 6                          |
| Totals              | 2023 | 240                          | 44             | 5            | 0            | 5                        | 8                               | 266                        |
|                     | 2024 | 266                          | 33             | 0            | 0            | 13                       | 17                              | 269                        |
|                     | 2025 | 269                          | 33             | 2            | 0            | 0                        | 12                              | 288                        |

Table No. 4

Status of Company-Owned Outlets  
For Years 2023-2025

| State       | Year | Outlets at Start of Year | Outlets Opened | Outlets Reacquired From Franchisee | Outlets Closed | Outlets Sold to Franchisee | Outlets at End of Year |
|-------------|------|--------------------------|----------------|------------------------------------|----------------|----------------------------|------------------------|
| Connecticut | 2023 | 7                        | 1              | 0                                  | 0              | 0                          | 8                      |
|             | 2024 | 8                        | 1              | 0                                  | 1              | 0                          | 8                      |
|             | 2025 | 8                        | 2              | 0                                  | 2              | 0                          | 8                      |



| State          | Year | Outlets at Start of Year | Outlets Opened | Outlets Reacquired From Franchisee | Outlets Closed | Outlets Sold to Franchisee | Outlets at End of Year |
|----------------|------|--------------------------|----------------|------------------------------------|----------------|----------------------------|------------------------|
| Florida        | 2023 | 58                       | 7              | 0                                  | 5              | 0                          | 60                     |
|                | 2024 | 60                       | 1              | 13                                 | 2              | 0                          | 72                     |
|                | 2025 | 72                       | 4              | 0                                  | 1              | 0                          | 75                     |
| Georgia        | 2023 | 3                        | 1              | 2                                  | 0              | 0                          | 6                      |
|                | 2024 | 6                        | 1              | 0                                  | 0              | 0                          | 7                      |
|                | 2025 | 7                        | 1              | 0                                  | 0              | 0                          | 8                      |
| Illinois       | 2023 | 5                        | 1              | 0                                  | 0              | 0                          | 6                      |
|                | 2024 | 6                        | 0              | 0                                  | 0              | 0                          | 6                      |
|                | 2025 | 6                        | 1              | 0                                  | 1              | 0                          | 6                      |
| Minnesota      | 2023 | 1                        | 0              | 0                                  | 0              | 0                          | 1                      |
|                | 2024 | 1                        | 0              | 0                                  | 1              | 0                          | 0                      |
|                | 2025 | 0                        | 0              | 0                                  | 0              | 0                          | 0                      |
| New York       | 2023 | 6                        | 1              | 0                                  | 0              | 0                          | 7                      |
|                | 2024 | 7                        | 1              | 0                                  | 1              | 0                          | 7                      |
|                | 2025 | 7                        | 0              | 0                                  | 0              | 0                          | 7                      |
| North Carolina | 2023 | 3                        | 0              | 0                                  | 0              | 0                          | 3                      |
|                | 2024 | 3                        | 0              | 0                                  | 0              | 0                          | 3                      |
|                | 2025 | 3                        | 1              | 0                                  | 1              | 0                          | 3                      |
| Rhode Island   | 2023 | 6                        | 0              | 0                                  | 0              | 0                          | 6                      |
|                | 2024 | 6                        | 0              | 0                                  | 0              | 0                          | 6                      |
|                | 2025 | 6                        | 1              | 0                                  | 0              | 0                          | 7                      |
| South Carolina | 2023 | 4                        | 0              | 3                                  | 0              | 0                          | 7                      |
|                | 2024 | 7                        | 0              | 0                                  | 0              | 0                          | 7                      |
|                | 2025 | 7                        | 0              | 0                                  | 0              | 0                          | 7                      |
| Texas          | 2023 | 1                        | 0              | 0                                  | 0              | 0                          | 1                      |
|                | 2024 | 1                        | 0              | 0                                  | 0              | 0                          | 1                      |
|                | 2025 | 1                        | 0              | 0                                  | 0              | 0                          | 1                      |
| Wisconsin      | 2023 | 7                        | 0              | 0                                  | 0              | 0                          | 7                      |
|                | 2024 | 7                        | 0              | 0                                  | 2              | 0                          | 5                      |
|                | 2025 | 5                        | 0              | 0                                  | 1              | 0                          | 4                      |
| Ontario Canada | 2023 | 0                        | 3              | 0                                  | 0              | 0                          | 3                      |
|                | 2024 | 3                        | 0              | 0                                  | 0              | 0                          | 3                      |
|                | 2025 | 3                        | 1              | 0                                  | 0              | 0                          | 4                      |
| Australia      | 2023 | 0                        | 3              | 0                                  | 0              | 0                          | 3                      |
|                | 2024 | 3                        | 0              | 0                                  | 0              | 0                          | 3                      |
|                | 2025 | 3                        | 1              | 0                                  | 0              | 0                          | 4                      |
| Spain          | 2023 | 9                        | 1              | 0                                  | 1              | 0                          | 9                      |
|                | 2024 | 9                        | 2              | 0                                  | 0              | 0                          | 11                     |
|                | 2025 | 11                       | 4              | 0                                  | 0              | 0                          | 15                     |
| UK             | 2023 | 2                        | 0              | 0                                  | 0              | 0                          | 2                      |
|                | 2024 | 2                        | 0              | 0                                  | 0              | 2                          | 0                      |



| State         | Year | Outlets at Start of Year | Outlets Opened | Outlets Reacquired From Franchisee | Outlets Closed | Outlets Sold to Franchisee | Outlets at End of Year |
|---------------|------|--------------------------|----------------|------------------------------------|----------------|----------------------------|------------------------|
|               | 2025 | 0                        | 0              | 0                                  | 0              | 0                          | 0                      |
| Total Outlets | 2023 | 112                      | 18             | 5                                  | 6              | 0                          | 129                    |
|               | 2024 | 129                      | 6              | 13                                 | 7              | 2                          | 139                    |
|               | 2025 | 139                      | 16             | 0                                  | 6              | 0                          | 149                    |

Table No. 5

Projected Openings as of  
December 31, 2025

| State                   | Franchise Agreements Signed But Outlet Not Opened | Projected New Franchised Outlets in the Next Fiscal Year | Projected New Company-Owned Outlets in the Next Fiscal Year |
|-------------------------|---------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------------|
| Florida                 | 0                                                 | 2                                                        | 3                                                           |
| Georgia                 | 0                                                 | 1                                                        | 1                                                           |
| Kansas                  | 0                                                 | 1                                                        | 0                                                           |
| Maryland                | 0                                                 | 1                                                        | 0                                                           |
| Michigan                | 0                                                 | 2                                                        | 0                                                           |
| New Jersey              | 0                                                 | 1                                                        | 0                                                           |
| New York                | 0                                                 | 2                                                        | 0                                                           |
| North Carolina          | 0                                                 | 2                                                        | 0                                                           |
| Oklahoma                | 0                                                 | 1                                                        | 0                                                           |
| South Carolina          | 0                                                 | 0                                                        | 1                                                           |
| Texas                   | 0                                                 | 1                                                        | 0                                                           |
| Tennessee               | 0                                                 | 1                                                        | 0                                                           |
| Virginia                | 0                                                 | 1                                                        | 0                                                           |
| Canada British Columbia | 0                                                 | 1                                                        | 0                                                           |
| Australia               | 3                                                 | 0                                                        | 4                                                           |
| France                  | 0                                                 | 0                                                        | 1                                                           |
| Portugal                | 0                                                 | 0                                                        | 1                                                           |
| Spain                   | 2                                                 | 0                                                        | 1                                                           |
| UAE                     | 1                                                 | 0                                                        | 0                                                           |
| Total                   | 6                                                 | 17                                                       | 12                                                          |

The names, addresses, and telephone numbers of our current franchisees are attached to this Franchise Disclosure Document as Exhibit F. The name and last known address and telephone number of every current franchisee and every franchisee who has had an FBC Franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our franchise agreement during the one year period ending December 31, 2025, or who has not communicated with us within ten weeks of the Issuance Date of this Franchise Disclosure Document, is listed in Exhibit F. In some





instances, current and former franchisees have signed provisions restricting their ability to speak openly about their experiences with the Freedom Boat Club franchise system. You may wish to speak with current and former franchisees, but know that not all such franchisees will be able to communicate with you. During the last three fiscal years, some franchisees/former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system. If you buy a Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

As of the Issuance Date of this Franchise Disclosure Document, there are no franchise organizations sponsored or endorsed by us and no independent franchisee organizations have asked to be included in this Franchise Disclosure Document. We do not have any trademark specific franchisee organizations.

## **ITEM 21**

### **FINANCIAL STATEMENTS**

Exhibit D contains the financial statements required to be included with this Franchise Disclosure Document: audited financial statements as of December 31, 2025, December 31, 2024, and December 31, 2023. Our fiscal year end is December 31<sup>st</sup>.

## **ITEM 22**

### **CONTRACTS**

Attached are the following agreements proposed for use in connection with our offering of franchises:

|           |                                                   |
|-----------|---------------------------------------------------|
| Exhibit B | Franchise Agreement                               |
| Exhibit E | State Addenda and Agreement Riders                |
| Exhibit H | Contracts for use with the Freedom Boat Franchise |

## **ITEM 23**

### **RECEIPTS**

The last pages of this Franchise Disclosure Document, Exhibit J, are a detachable document, in duplicate. Please detach, sign, date, and return one copy of the Receipt to us, acknowledging that you received this Franchise Disclosure Document. Please keep the second copy for your records.



**EXHIBIT A**

**STATE ADMINISTRATORS AND  
AGENTS FOR SERVICE OF PROCESS**



**CALIFORNIA****State Administrator and Agent for Service of Process:**

Commissioner  
Department of Financial  
Protection and Innovation  
320 W. 4<sup>th</sup> Street, #750  
Los Angeles, CA 90013  
(213) 576-7500  
(866) 275-2677

**HAWAII**

Commissioner of Securities of  
the State of Hawaii  
335 Merchant Street, Room 203  
Honolulu, HI 96813  
(808) 586-2722

**Agent for Service of Process:**  
**Commissioner of Securities of the State of Hawaii**

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

**ILLINOIS**

Illinois Attorney General  
Chief, Franchise Division  
500 S. Second Street  
Springfield, IL 62706  
(217) 782-4465

**INDIANA**

Secretary of State  
Securities Division  
Room E-018  
302 W. Washington Street  
Indianapolis, IN 46204  
(317) 232-6681

**MARYLAND**

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

**MARYLAND CONTINUED**

**Agent for Service of Process:**  
Maryland Securities Commissioner  
200 St. Paul Place  
Baltimore, MD 21202-2020

**MICHIGAN**

Michigan Department of Attorney General  
Consumer Protection Division  
525 W. Ottawa Street  
Lansing, MI 48913  
(517) 373-7117

**MINNESOTA**

Department of Commerce  
Commissioner of Commerce  
85 Seventh Place East, Suite 280  
St. Paul, MN 55101-3165  
(651) 539-1600

**NEW YORK**

**Administrator:**  
NYS Department of Law  
Investor Protection Bureau  
28 Liberty Street, 21<sup>st</sup> Floor  
New York, NY 10005  
(212) 416-8222

**Agent for Service of Process:**  
Secretary of State  
99 Washington Avenue  
Albany, NY 12231

**NORTH DAKOTA**

**Administrator:**  
North Dakota Insurance & Securities  
Department  
600 East Boulevard Avenue, Dept 401  
Bismarck, ND 58505  
(701) 328-2910

**Agent for Service of Process:**  
Insurance Commissioner  
600 East Boulevard Avenue, Dept. 401  
Bismarck, ND 58505

**RHODE ISLAND**

Department of Business Regulation  
1511 Pontiac Avenue, Bldg. 68-2  
Cranston, RI 02920  
(401) 462-9527

**SOUTH DAKOTA**

Division of Insurance  
Securities Regulation  
124 South Euclid, Suite 104  
Pierre, SD 57501  
(605) 773-3563

**VIRGINIA**

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

**Agent for Service of Process:**  
Clerk of the State Corporation  
Commission  
1300 E. Main Street, 1<sup>st</sup> Floor  
Richmond, VA 23219

**WASHINGTON**

**State Administrator:**  
Washington Department of Financial  
Institutions  
Securities Division  
P.O. Box 41200  
Olympia, WA 98504-1200  
(360) 902-8760

**Agent for Service for Process:**

Director of Department of Financial  
Institutions  
Securities Division  
150 Israel Road SW  
Tumwater, WA 98501

**WISCONSIN**

Department of Financial Institutions  
Division of Securities  
201 W. Washington Avenue  
Madison, WI 53703  
(608) 266-3364

Rev. 011526



**EXHIBIT B**  
**FRANCHISE AGREEMENT**



**EXHIBIT B**



**FREEDOM BOAT CLUB**

**FRANCHISE AGREEMENT**

# FREEDOM BOAT CLUB FRANCHISE AGREEMENT

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### ATTACHMENTS:

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## FREEDOM BOAT CLUB FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the “Franchise Agreement”) is made as of the date listed on Attachment A to this Franchise Agreement (“Effective Date”). The parties to this Franchise Agreement are FREEDOM FRANCHISE SYSTEMS, LLC, a Florida limited liability company (“Franchisor,” “us,” “our,” “we”) and the franchisee listed on Attachment A to this Franchise Agreement (“Franchisee,” “you,” “your”). If more than one person or entity is listed as the Franchisee, each such person or entity shall be jointly and severally liable for all rights, duties, restrictions and obligations under this Franchise Agreement.

### RECITALS

This Franchise Agreement is for the offer and sale of a franchise for the establishment and operation of a Freedom Boat Club business as presently designated by Franchisor and as may be improved, further developed or otherwise modified by Franchisor from time to time (the “FBC Business”).

The distinguishing characteristics of an FBC Business include, but are not limited to: the name “Freedom Boat Club”, high standards of service, operational “know-how”; information, trade secrets, confidential information, sales and merchandising methods; training of franchisees and FBC Business personnel; standards, designs, method of trademark usage, copyrights, sources and specifications, advertising techniques; signage; confidential electronic and other communications, method of Internet usage, recordkeeping and business management methods, and research and development, all of which may be changed from time to time by Franchisor (hereinafter collectively, the “System”).

Franchisee desires to obtain a franchise to operate an FBC Business in accordance with the System. Franchisee has submitted an application and other pertinent documentation, including financial statements, to Franchisor which fully set forth the information contained therein, and Franchisee has further advised Franchisor of all persons who will hold interests in the franchise.

NOW, THEREFORE, Franchisor and Franchisee, intending to be legally bound, for and in consideration of the mutual covenants hereinafter following, do mutually covenant and agree:

#### I. LICENSE, LICENSED MARKS, AND PROTECTED TERRITORY

##### A. *License*

Franchisor hereby grants Franchisee the right to use the trade name “FREEDOM BOAT CLUB” and such other service marks, trademarks, trade names and copyrights as Franchisor may designate from time to time, and Franchisee is hereby licensed to use the System for the operation of one FBC Business. The operation of the FBC Business shall be conducted by Franchisee only at the accepted location (hereinafter called, “FBC Location”). Franchisee may be allowed to expand its FBC Business to open and operate additional FBC Locations only in accordance with the terms of this Franchise Agreement, in which case “FBC Location” shall refer to each additional FBC Location operated by Franchisee under this Franchise Agreement.

If, at the time of execution of this Franchise Agreement, the FBC Location is not designated as a specific address on Attachment A, then the Franchisee agrees to execute the Location Acceptance Form, attached as Attachment A-1, which is incorporated in this Franchise Agreement in which case the street address of the FBC Location shall be set forth in such Location Acceptance Form. Franchisee agrees not to change the FBC Location without the prior written acceptance of Franchisor.





This Franchise Agreement does not grant Franchisee the right to pursue any of the business concepts of Franchisor or of Franchisor's parents, subsidiaries or affiliates other than the FBC Business.

**B. *Licensed Marks***

In operating the FBC Business, Franchisee shall use such service marks, trademarks, trade names, commercial symbols and logos (hereinafter, the "Proprietary Marks") only in such manner as is specified from time to time by Franchisor. Franchisee expressly acknowledges Franchisor's rights in and to the Proprietary Marks and agrees not to represent in any manner that Franchisee has acquired any ownership rights in such Proprietary Marks. Franchisee's right to use the Proprietary Marks is derived solely from this Franchise Agreement and is limited to the conduct of the FBC Business by Franchisee at the FBC Location pursuant to and in compliance with this Franchise Agreement. This Franchise Agreement transfers no goodwill or other interest in the Proprietary Marks to Franchisee, other than the right to use the Proprietary Marks in the operation of the FBC Business in compliance with this Franchise Agreement and all applicable standards, specifications and operating standards, specifications and procedures prescribed by Franchisor from time to time. Franchisee agrees not to contest Franchisor's title to the Proprietary Marks. Any goodwill established in the Proprietary Marks by reason of Franchisee's use of such Proprietary Marks shall be solely for Franchisor's exclusive benefit and upon the expiration or termination of this Franchise Agreement for any reason, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the Proprietary Marks. Any unauthorized use of the Proprietary Marks by Franchisee shall constitute a violation of, and default under, this Franchise Agreement. All provisions of this Franchise Agreement shall be applicable to the Proprietary Marks as they exist on the Effective Date of this Franchise Agreement and shall apply to any additional Proprietary Marks hereafter authorized for use by, and licensed to, Franchisee by Franchisor.

Federal trademark or service mark registrations for any or all of the Proprietary Marks may be sought. There can be no assurance that any such registrations will be granted. There may be similar trademarks or service marks, either registered or not registered, owned by third parties. Such third parties may have rights in such trademarks or service marks that are superior to Franchisor's rights in the Proprietary Marks, thereby restricting the ability of Franchisor to expand the System into certain geographic areas. Franchisor makes no representations concerning the possible rights of any such third parties. Franchisee is advised to consult with an attorney regarding the enforceability of the Proprietary Marks prior to entering into this Franchise Agreement.

Franchisee shall use the Proprietary Marks as the sole identification of the FBC Business, provided that Franchisee shall be identified as the independent owner of the FBC Business in the manner prescribed by Franchisor. Franchisee shall not use the Proprietary Marks as part of the name of any business entity or trade name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than commercial logos licensed to Franchisee hereunder), or in any modified form, nor may Franchisee use any Proprietary Marks in connection with the performance or sale of any unauthorized services or goods or in any other manner not expressly authorized in writing by Franchisor. Franchisee shall prominently display the Proprietary Marks on such signs, merchandise, stationery, business cards, uniforms and other articles as designated by Franchisor and only in accordance with Franchisor's instructions and shall display such notices of trade and service marks registrations as Franchisor specifies. Franchisee, at Franchisee's expense, shall obtain such fictitious or assumed name registrations as may be required under applicable law prior to opening the FBC Business to the public. Franchisee shall not file a trade name registration or create or maintain an Internet site with a domain name that includes the name "Freedom".

Franchisor shall have the sole right to handle disputes with third parties concerning the System including, without limitation, the Proprietary Marks. In that regard:



1. If Franchisee receives notice, or is informed, of: (a) any claim, suit or demand against Franchisee on account of any alleged infringement, unfair competition or similar matter by reason of Franchisee's use of the System in accordance with this Franchise Agreement including, without limitation, Franchisee's use of the Proprietary Marks; or (b) any claim by any person of any rights in all or any part of the System or in any Proprietary Marks, Franchisee shall notify Franchisor in writing within three days of such claim, suit or demand. Franchisee has no right to settle or compromise any such claim, suit or demand. Franchisor shall have sole discretion to take such action as it deems appropriate (which, except in the case of suit, may include taking no action) and the right to exclusively control any litigation, action by or before the United States Patent and Trademark Office or other proceeding arising out of any such infringement, challenge or claim or otherwise relating to the System or any Proprietary Mark. Franchisee shall cooperate fully with Franchisor and execute such documents and perform such actions as may, in the judgment of Franchisor, be necessary, appropriate or advisable in the defense of such claims, suits or demands and to protect and maintain the interests of Franchisor in the System and/or in the Proprietary Marks which are the subject of challenge. Franchisor will indemnify Franchisee for all actual damages (other than loss of income) and out-of-pocket expenses incurred by Franchisee in connection with any claim made by any third party for infringement, unfair competition or similar matter arising out of Franchisee's use of the Proprietary Marks or the System; provided, however, the foregoing obligation of Franchisor to indemnify Franchisee exists only if Franchisee has used the name or Proprietary Mark which is the subject of the challenge in strict accordance with the provisions of this Franchise Agreement, the Brand Standards Manual (as defined in Section VI.A, below) and any other written procedures, requirements or instructions of Franchisor, has notified Franchisor of the challenge as set forth above and has otherwise fully cooperated with Franchisor.

2. If Franchisee receives notice, or is informed, of any infringing or unauthorized use of the System, Franchisee shall within three days thereof notify Franchisor in writing of such infringing use. Franchisor need not initiate suit against imitators or infringers, nor take any other action to enforce or protect the System.

If it becomes advisable at any time, in Franchisor's sole discretion, for Franchisor and/or Franchisee to modify or discontinue use of any Proprietary Marks, and/or use one or more additional or substitute trade or service marks, Franchisee agrees to comply with Franchisor's directions to modify or otherwise discontinue the use of such Proprietary Marks within the time specified in the notice thereof given to Franchisee by Franchisor. Franchisor shall not be obligated to compensate Franchisee for any costs incurred by Franchisee in connection with such de-identification or discontinuance.

Upon expiration or termination of this Franchise Agreement, Franchisee hereby authorizes Franchisor to execute in Franchisee's name an abandonment of the use of all Proprietary Marks which have been registered as assumed or fictitious names and to transfer to Franchisor all Franchisee Internet domain names that include the name "Freedom." Franchisee hereby authorizes any third party to rely upon the authorization granted to Franchisor by this Paragraph and to take any and all actions necessary or appropriate, as Franchisor may direct, to carry out the purpose and intent of this Paragraph.

### C. *Protected Territory*

1. During the initial term of this Franchise Agreement, and provided that Franchisee is not in default of this Franchise Agreement or any other agreement between Franchisor and Franchisee, Franchisor shall not own, operate, sell, grant, license or approve the transfer of an FBC Business within the geographic area outlined in Attachment A (the "Protected Territory"). No other protected or exclusive area or territory is granted by Franchisor to Franchisee. Franchisee may only establish one FBC Business within its Protected Territory. Franchisee may market and solicit customers anywhere in accordance with the Brand Standards Manual, but may only operate the FBC Business within its Protected Territory.



Franchisee acknowledges and agrees that Franchisor and its affiliates and franchisees may also market and solicit customers located within Franchisee's Protected Territory.

2. Franchisee does not have the right to acquire additional FBC Locations within its Protected Territory, but Franchisor may allow, in Franchisor's sole discretion, Franchisee to operate one or more satellite FBC Locations (each a "Satellite Location") within Franchisee's Protected Territory provided that Franchisee pays Franchisor's then-current non-refundable satellite location fee. Franchisee's non-refundable satellite location fee will be reduced to 50% of Franchisor's then-current satellite location fee for a particular Satellite Location if: (a) the Satellite Location is operated in conjunction with a social boating or social yachting club; (b) Franchisee or (if an entity) one of Franchisee's owners is a member of the social boating or yachting club where the Satellite Location is to be operated; (c) Franchisee or one of Franchisee's owners pays all membership fees to the social boating or yachting club; (d) the social boating or social yachting club approves of the Satellite Location to Franchisor in writing; and (e) the Satellite Location is exclusively offered to members of the social boating or social yachting club. As a condition to Franchisor permitting Franchisee to operate any Satellite Location, Franchisee must execute Franchisor's then-current form of Satellite Amendment to Franchise Agreement, the current form of which is attached to Franchisor's Disclosure Document as Exhibit H which shall require Franchisee and each "Owner" shall execute a general release, in a form satisfactory to Franchisor, of any and all claims Franchisee and all of its Owners have against Franchisor and its affiliates and their officers, members, directors, owners, employees, and agents. For purposes of this Franchise Agreement, "Owner(s)" means any party or individual that has a direct, indirect and/or beneficial ownership interest (including any person with significant responsibility for controlling, managing, or directing an entity such as a trust) that has an ownership interest in the Franchisee. If Franchisee operates a Satellite Location under this Franchise Agreement, Franchisee further agrees to open the Satellite Location on or before the date set forth in the Satellite Amendment or Franchisor may terminate Franchisee's right to operate the Satellite Location. If Franchisee is authorized to operate one or more Satellite Locations and has entered into a Satellite Amendment for each such Satellite Location, all references to the FBC Business in this Franchise Agreement shall include such Satellite Location(s).

3. If Franchisor and Franchisee agree to a development schedule under which Franchisee will be required to develop and open one or more Satellite Locations under this Franchise Agreement in accordance with a development schedule then Franchisor and Franchisee will enter into the "Development Addendum to Franchise Agreement" attached to the Franchise Disclosure Document in Exhibit H as noted in Attachment A. The Development Addendum to Franchise Agreement will contain additional terms which must be met for Franchisee to keep its Protected Territory or the Protected Territory will be modified as set forth in the Development Addendum to Franchise Agreement.

4. Franchisee acknowledges that the franchise license granted herein is non-exclusive and Franchisor and its affiliates retain the exclusive right, among others, without payment to Franchisee: (i) to own, franchise, or operate FBC Businesses at any location outside of Franchisee's Protected Territory, regardless of the proximity to Franchisee's FBC Business; (ii) to use the Proprietary Marks and the System to sell any products or services, similar to those which Franchisee will sell, through any alternate channels of distribution within or outside of Franchisee's Protected Territory, including, but is not limited to, other channels of distribution such as television, mail order, catalog sales, wholesale to unrelated retail outlets, or over the Internet; (iii) to use and license the use of other proprietary and non-proprietary marks or methods which are not the same as or confusingly similar to the Proprietary Marks, whether in alternative channels of distribution or in the operation of a business offering shared boat access, boat rental and related products and services, at any location, including within Franchisee's Protected Territory, which may be similar to or different from the FBC Business operated by Franchisee; (iv) to engage in any transaction, including to purchase or be purchased by, merge or combine with, to convert to the System or be converted into a new system with any business whether franchised or



corporately owned, including a business that competes directly or indirectly with Franchisee's FBC Business, whether located inside or outside Franchisee's Protected Territory, provided that any competing businesses located inside Franchisee's Protected Territory will not operate under the Proprietary Marks; (v) to use and license the use of technology to non-franchisee locations inside and outside Franchisee's Protected Territory; (vi) to implement multi-area marketing programs which may allow Franchisor or others to solicit or sell to customers anywhere; and (vii) to engage in any other business activities not expressly prohibited by this Franchise Agreement or any other. Franchisee acknowledges that Franchisor and its affiliates are not required to pay any compensation to Franchisee for exercising any of their rights within or outside the Protected Territory.

## II. TERM

### A. *Initial Term*

The initial term of this Franchise Agreement shall be for a period of five years from the Effective Date of this Franchise Agreement ("Term"). If Franchisee does not sign an agreement for an additional term ("Successor Franchise Agreement") prior to the expiration of this Franchise Agreement and continues to accept the benefits of this Franchise Agreement after the expiration of this Franchise Agreement, then, at the option of Franchisor, this Franchise Agreement may be treated either as (i) expired as of the date of expiration with Franchisee then operating without a franchise to do so and in violation of Franchisor's rights; or (ii) continued on a month-to-month basis ("Interim Period") until one party provides the other with written notice of such party's intent to terminate the Interim Period, in which case the Interim Period will terminate 30 days after receipt of the notice to terminate the Interim Period. In the latter case, all obligations of Franchisee shall remain in full force and effect during the Interim Period as if the Term of this Franchise Agreement had not expired, and all obligations, covenants and restrictions imposed on Franchisee upon expiration of this Franchise Agreement shall be deemed to take effect upon termination of the Interim Period. If this Franchise Agreement is extended under an Interim Period in accordance with this Section then the Term of this Franchise Agreement shall be extended to include the entire Interim Period and all references to "Term" shall include the applicable Interim Period. If Franchisee is signing this franchise agreement as a Successor Franchise Agreement, the references to "Term" shall mean the applicable renewal term of the Successor Franchise Agreement.

### B. *Renewal Option - Renewal Fees*

Franchisee shall have the option to renew the Franchise Agreement for two additional periods of five years. In all cases, renewal shall require that: (a) Franchisee not be in default or in violation of the Franchise Agreement or any other agreement with Franchisor; (b) Franchisee has received satisfactory inspection reports during the Term; (c) Franchisee gives Franchisor written notice of Franchisee's election to renew not less than six months prior to the end of the Term; and (d) no later than 60 days prior to the end of the Term, Franchisee has completed all steps necessary to effectively renew, which may include, but are not necessarily limited to: (i) execution of the Successor Franchise Agreement and any ancillary agreements (including but not limited to an Owners Agreement or other guaranty) then generally used by Franchisor in the grant of new franchises or renewal of franchises for the operation of FBC Businesses, which may have materially different terms and conditions (including, for example, higher Royalties, Brand Building Fund Contributions and other fees) from this Franchise Agreement; (ii) execution of a general release(s), in a form satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates and their officers, members, directors, owners, employees, and agents; (iii) completion of such capital improvements necessary to meet Franchisor's then-existing criteria and standards for FBC Businesses and complying with Franchisor's then-current training requirements; (iv) completion of such additional training as may then be required by Franchisor; (v) Franchisee having satisfied the "Minimum Renewal Gross Revenues Requirement" (defined below); and (vi) payment of the



then-current successor franchisee fee (equal to twenty five percent (25%) of the then-current Initial Franchise Fee (defined in Section III.A, below) or \$15,000 if Franchisor is not offering franchises for sale). If Franchisee does not comply with the conditions for renewal to the reasonable satisfaction of Franchisor, Franchisee agrees that Franchisor shall have good cause to refuse to renew the Franchise Agreement. Failure or refusal by Franchisee to execute any agreements, instruments and documents required by Franchisor in connection with such renewal within a reasonable time after delivery to Franchisee shall be deemed an election by Franchisee not to renew the franchise. If local law modifies, alters or amends all or part of the renewal provisions, then such provisions shall be modified, altered or amended to the minimum extent necessary to cause this Franchise Agreement to be in full compliance with such local law. Franchisor may adjust on renewal, in its sole discretion, Franchisee's Protected Territory based upon changes in population and other demographic conditions.

For purposes of this Section, Franchisee is deemed to have satisfied the "Minimum Renewal Gross Revenues Requirement" only if Franchisee's Gross Revenues during the final 12 months of this Franchise Agreement was at least \$500,000. Franchisee acknowledges and agrees that the Minimum Renewal Gross Revenues Requirement is not an earnings claim or representation for any FBC Business, does not imply that any FBC Business will have Gross Revenues that equals or exceeds the Minimum Renewal Gross Revenues Requirement and is not a statement of projected revenue.

Franchisee's right to renew the franchise is subject to (a) Franchisee's ability to continue to occupy the FBC Location, or (b) relocation of the FBC Location to a mutually acceptable new location within Franchisee's Protected Territory within 30 days after the expiration or termination of the right to occupy the FBC Location.

### III. FRANCHISE AND ROYALTY FEES

#### A. *Initial Franchise Fee*

In consideration of the grant of the franchise by the Franchisor, the Franchisee agrees to pay an initial franchise fee of \$50,000 ("Initial Franchise Fee"). The Initial Franchise Fee is payable upon execution of this Franchise Agreement. If this Franchise Agreement is for a Protected Territory that shares a common border with the protected territory of another franchise agreement between Franchisor and Franchisee, then the Initial Franchise Fee shall be 50% of Franchisor's then-current Initial Franchise Fee. The Initial Franchise Fee is fully earned by the Franchisor upon the execution of this Franchise Agreement and is non-refundable under any circumstances.

#### B. *Royalty Fee*

During the Term of this Franchise Agreement, Franchisee shall pay to Franchisor by the tenth (10<sup>th</sup>) day of each month a royalty fee ("Royalty") equal to the following:

1. During the first year of operation of each FBC Location: six percent (6%) of Gross Revenues.
2. During the second year of operation of each FBC Location: the greater of: (a) \$1,000 per month per FBC Location\*; or (b) six percent (6%) of Gross Revenues.
3. Beginning the third year of operation of the FBC Location and continuing throughout the Term: the greater of: (a) \$2,000 per month per FBC Location\*; or (b) six percent (6%) of Gross Revenues.



Notwithstanding the foregoing, if this Franchise Agreement is a Successor Franchise Agreement or the FBC Business at the FBC Location was otherwise in existence prior to the Effective Date, then the Royalty for such FBC Location shall be calculated based upon the prior opening date using the above method.

\*If Franchisor permits additional Satellite Locations within Franchisee's Protected Territory, then each Satellite Location Franchisee operates under this Franchise Agreement shall also be subject to a separate minimum Royalty (whether \$1,000 or \$2,000 per month). In addition, the minimum Royalty payment is specific to this Franchise Agreement, and Franchisee must pay the minimum Royalty separately for each additional franchise agreement that Franchisee enters into, if any.

#### C. *Gross Revenues*

The term "Gross Revenues" means the aggregate gross amount of all revenues from whatever source derived (whether in any form of cash or cash equivalents and any "in kind" payments (whether in property or services)), which arise from or are derived by Franchisee or by any other person from business conducted or which originated in, on, from, or through the FBC Business, whether or not sold or performed at or from the FBC Location, including, but not limited to, initial and renewal membership fees, dues, and all other charges, or from the sale of any products associated with the use of the Proprietary Marks, whether such business is conducted in compliance with or in violation of the terms of the Franchise Agreement, excluding only sales or other tax receipts (the collection of which is required by law), authorized sales promotions, authorized deductions (e.g., coupon, buy-one-get-one-free), allowances, and pass-through sales in which Franchisee sells the goods at cost (e.g., gas and oil). Because Franchisee must provide reciprocal access to the FBC Business to all members across the Freedom Boat system at no charge, the value of these services is not counted in Gross Revenues. Franchisor may, from time to time, update the Brand Standards Manual to temporarily exclude certain items from Gross Revenues in its sole discretion. Any revenue from the resale of boats will not be counted in Gross Revenues for purposes of fee calculations.

All payments by Franchisee shall be applied in such order as Franchisor may designate from time to time. Franchisee may not designate an order for application of any fees different from that designated by Franchisor and expressly acknowledges and agrees that Franchisor may accept fees paid pursuant to different instructions without any obligation to follow such instructions, even if such payment is made by its terms conditioned on such instructions being followed. This provision may be waived only by written agreement signed by Franchisor, which written agreement must be separate from the check or other document constituting payment. Franchisee shall pay an insufficient funds fee of \$100 per occurrence for any check that is returned or rejected as insufficient.

#### IV. FBC LOCATION SELECTION AND CONSTRUCTION

##### A. *Locating the Site*

In the event the site for the FBC Location within Franchisee's Protected Territory has not been accepted by the Franchisor upon execution of this Franchise Agreement and entered on Attachment A hereto, it shall be the sole obligation of the Franchisee to locate a site suitable for the operation of the FBC Business within Franchisee's Protected Territory within 60 days after execution of this Franchise Agreement. The proposed site must meet Franchisor's criteria for FBC Locations. The proposed site must be accepted by the Franchisor in writing prior to Franchisee executing a binding lease or otherwise securing the proposed site. Franchisor will accept or reject a proposed site for the FBC Business within 30 days after Franchisor receives from Franchisee, a complete site report and any other materials Franchisor requests. Franchisor's acceptance of a site does not constitute a representation or warranty





that the FBC Business will be profitable or that the Franchisee's revenues will attain any predetermined levels. Such acceptance is intended only to indicate that the proposed site meets the Franchisor's minimum criteria for identifying FBC Location sites. The Franchisee agrees that the Franchisor's acceptance or rejection of a proposed site shall not impose any liability or obligation on the Franchisor. In the event Franchisee does not submit an acceptable site within Franchisee's Protected Territory within the aforementioned 60-day period, Franchisor may, in its sole discretion, terminate this Franchise Agreement unless Franchisee has submitted another site within Franchisee's Protected Territory within 30 days of the expiration of the initial site submission period.

**B. *Lease of FBC Location***

Franchisee shall execute a lease or slip agreement as appropriate (the "Lease") for the FBC Location with the landlord or marina owner of the site for the FBC Location as applicable on terms and conditions satisfactory to Franchisor. Any review by Franchisor of the Lease will be limited to Franchisor's system-related requirements, including any required cure rights, access rights, signage rights, operating rights, and required addenda, and will not constitute legal, business, financial, environmental, title, or tax advice to Franchisee. Any Lease will provide that Franchisor may cure any default of Franchisee under the Lease after written notice by landlord to Franchisor. Prior to entering into the Lease, Franchisee and the landlord shall be required to execute the "Addendum to Slip Agreement" the current form of which is attached to the Franchise Disclosure Document in Exhibit H. Franchisee may not relocate the FBC Business without Franchisor's prior written consent, which Franchisor may withhold in its sole discretion. If any relocation is approved, Franchisee shall de-identify the former FBC Location in the manner required by Franchisor. As a result of such relocation, Franchisee may request a change of its Protected Territory. However, Franchisor, in its sole discretion, may deny such a request. In the event Franchisee does not request such a change or Franchisor denies Franchisee's request, Franchisee's Protected Territory shall remain the same as set forth in this Franchise Agreement.

**C. *Franchisor Approval***

Franchisee shall not execute the Lease until (i) the FBC Location has been accepted in writing by Franchisor, (ii) the terms and conditions of the Lease have been accepted in writing by Franchisor, which acceptance shall not be unreasonably withheld, and (iii) all such documents and instruments requested by Franchisor, if any, have been delivered to Franchisor. In the event Franchisee requests Franchisor to assist in selecting a site for the FBC Location, Franchisee shall pay Franchisor a site selection assistance fee in the sum of \$500 per day (based on an eight-hour day, including travel time), plus all expenses of Franchisor for travel, lodging, meals and other out-of-pocket expenses incurred in connection with such site selection assistance. This site selection fee will be due to Franchisor in a lump sum immediately upon completion of the site selection assistance provided by Franchisor and is not refundable under any circumstances. Any site-selection help provided by Franchisor is advisory assistance only, does not constitute site acceptance or approval, does not make the Franchisor Franchisee's broker, agent, or representative, and does not create any representation, warranty, or assurance regarding the site's suitability, sales potential, profitability, or likelihood of success.

**D. *Construction, Remodeling, Inventory and Improvements***

Promptly after obtaining possession of the FBC Location, Franchisee must: (a) obtain all required permits, licenses, and zoning variances; (b) complete the construction, build-out, and/or remodeling of the FBC Location premises consistent with the approved plans, the System, and applicable law; and (c) purchase or lease and install all required equipment, computers, tablets, software, inventory, furnishings, fixtures, signs, marketing materials, merchandise and décor as required by this Franchise Agreement and the Brand Standards Manual. Franchisee will be required to purchase a "Franchise Equipment Package"



of start-up items. You must purchase and stock in the FBC Location all of the required inventory and supply items, in an adequate mix and quantity of each, all according to the System. The Franchise Equipment Package and all required inventory, supplies, signs, fixtures, furniture, vessels, engines, accessories, equipment, technology, and related items must comply with the Brand Standards Manual and any other written standards Franchisor communicates from time to time. Franchisee may purchase those items from any supplier that satisfies Franchisor's then-current standards and approval requirements, except to the extent Franchisor requires designated sourcing under the Brand Standards Manual, other written standards, or an applicable equipment exclusivity agreement. Franchisee remains solely responsible for ensuring that all such items are safe, suitable, and compliant with applicable law and Franchisor's standards.

E. *Modification*

No modifications or alterations shall be made to the FBC Location by Franchisee without the prior written consent of Franchisor. Franchisee agrees to make all modifications and renovations to the FBC Location reasonably requested by Franchisor within the time period specified by Franchisor.

F. *FBC Business Opening*

Franchisee agrees that the FBC Business shall be completed and open for business no later than 120 days from the date of execution of this Franchise Agreement (hereinafter referred to as the "Specified Opening Date"), unless delayed by causes beyond the reasonable control of Franchisee. In the event Franchisee is not open for business to the public on the Specified Opening Date regardless of the reason for the delay, Franchisor shall be entitled to receive from Franchisee, in lieu of the Royalty fee Franchisor would have received, a non-refundable amount equal to \$125 per week (full or partial) during the period which Franchisee is not open for business. Franchisor may also, in its sole discretion, terminate this Franchise Agreement upon ten days' prior written notice, if the FBC Business is not open for business by the Specified Opening Date. Upon termination of this Franchise Agreement for failure to open by the Specified Opening Date, Franchisor shall be entitled to retain, as liquidated damages and not as a penalty, all amounts Franchisee has previously paid to Franchisor including, but not limited to, the Initial Franchise Fee, and Franchisor may pursue such other non-monetary remedies as are available to it at law and in equity. The Specified Opening Date shall be extended for the number of days during which the opening is delayed for causes beyond Franchisee's reasonable control. For the period beginning approximately 30 days before Franchisee opens its FBC Business and continuing through approximately the first 60 days after Franchisee has its FBC Business open and operating, Franchisor requires that Franchisee spend an amount approximately equal to \$15,000 on advertising as Franchisee's start-up advertising expense ("Start-Up Advertising Expense"). Franchisor recommends that Franchisee follow the guidelines in the Brand Standards Manual that describe how the Start-Up Advertising Expense should be allocated in order to maximize its advertising efforts.

G. *Single Purpose*

If Franchisee is an entity, Franchisee agrees that it shall be formed exclusively for the operation of the FBC Business and the FBC Business will be the only business that it may operate. Franchisee's organizational documents must reflect this (although the owners of the entity may have other business interests subject to any restrictions on competitive businesses contained in this Franchise Agreement). Franchisee (whether an entity or an individual) must not engage in any other business or activity that conflicts with any of Franchisee's obligations under this Franchise Agreement.

The FBC Location shall be used for no purpose other than the operation of an FBC Business, unless otherwise agreed to in writing by Franchisor. Franchisee may not engage in any co-branding in or





in connection with the FBC Business except with Franchisor's prior written consent, in its sole discretion. Franchisor shall not be required to approve any co-branding arrangement. "Co-branding" includes the operation of an independent business, product line or operating system owned or licensed by another entity (not Franchisor) that is featured or incorporated within the Franchisee's FBC Business or is adjacent to Franchisee's FBC Location and operated in a manner which is likely to cause the public to perceive it to be related to the FBC Business licensed and franchised hereunder.

## V. TRAINING

Franchisee (or its Operating Principal, if Franchisee is an entity) and, if applicable, any other persons who shall have overall responsibility for the day-to-day operation of the FBC Business, must attend and complete, to Franchisor's satisfaction, the initial training program ("Initial Training Program") at a location designated by Franchisor. In addition, Franchisee's sales manager and operations manager may attend such training. However, no more than four persons may attend the Initial Training Program without payment of a tuition charge, provided that all such persons attend initial training at the same time. The Initial Training Program will be conducted at such place as designated by Franchisor following execution of this Franchise Agreement. Franchisee shall be responsible for all travel, lodging, and subsistence expenses of those persons attending the training session. Franchisee shall also be required to complete certain training courses online before and after attending the in-person Initial Training Program. Franchisor reserves the right to vary the length and content of the Initial Training Program as it deems appropriate in its sole discretion based on the experience of the attendee(s). Franchisor shall determine the scheduling, exact duration, contents and manner of the Initial Training Program in its discretion and may postpone your attendance until a suitable time near the grand opening date for the FBC Business in its discretion.

Franchisee acknowledges that it is of paramount importance that Franchisee understands the System and, therefore, failure to complete Franchisor's Initial Training Program to the satisfaction of Franchisor shall constitute a default under this Franchise Agreement. If Franchisee (or its Operating Principal, if Franchisee is an entity) and, if applicable, any other persons required to attend, do not complete the Initial Training Program to Franchisor's satisfaction, Franchisor may terminate the Franchise Agreement.

Franchisor may require Franchisee (or its Operating Principal, if Franchisee is an entity) and/or other previously trained personnel to attend periodic additional training and/or refresher courses at locations designated by Franchisor. Franchisee specifically agrees that only Franchisee (or its Operating Principal, if Franchisee is an entity) and any other persons who have been trained by Franchisor shall have overall responsibility for the day-to-day operation of the FBC Business. Franchisee shall send any new Operating Principal and/or management personnel with overall responsibility for the day-to-day operation of the FBC Business for training, and may request additional training or retraining from time to time for other personnel and Franchisor shall, at its sole discretion, provide such training at such times and places and for such duration as Franchisor deems necessary, or waive the necessity of such training; provided, that Franchisee pays the cost of such additional training, including tuition charge, the cost of transportation, subsistence, lodging, and the current charge for the services of Franchisor's representative(s), which costs shall be paid in advance.

Franchisor may, in its sole discretion, require Franchisee, (or its Operating Principal, if Franchisee is an entity) and any other party with control over operations of the FBC Business to complete, at Franchisee's expense, additional training as a condition to granting Franchisee the right to enter into a Successor Franchise Agreement.



## VI. FBC BUSINESS OPERATION

In order to maintain uniform standards of operation for all FBC Businesses and to protect the goodwill of Franchisor, it is agreed as follows:

### A. *Standards*

Franchisee acknowledges that each and every detail of the operation of the FBC Business is important to Franchisor and Franchisor's franchisees. FBC Businesses are operated under our System. Franchisee shall comply with all mandatory specifications, standards and operating procedures as specified in the confidential brand standards manual (hereinafter, the "Brand Standards Manual") as periodically amended by Franchisor in its sole discretion. Mandatory specifications, standards, and operating procedures may be prescribed from time to time by Franchisor in the Brand Standards Manual, or otherwise communicated to Franchisee in writing or via electronic means. All references herein to this Franchise Agreement shall include all such mandatory specifications, standards and operating procedures. Franchisee acknowledges that compliance with the Brand Standards Manual is vitally important to Franchisor and other System franchisees and is necessary to protect Franchisor's reputation and the goodwill of the Proprietary Marks and to maintain the uniform quality of operation through the System. However, while the Brand Standards Manual is designed to protect our reputation and the goodwill of the Proprietary Marks, it is not designed to control the day-to-day operation of the FBC Business. During the Term of this Franchise Agreement or any Interim Period, Franchisor may periodically modify its System specifications, standards, and operating procedures. Franchisee acknowledges and agrees that such modifications may require Franchisee to invest additional capital in the FBC Business and/or incur higher expenses.

### B. *Brand Standards Manual*

The requirements of the Brand Standards Manual (which may be in one or more volumes) shall be provided to Franchisee electronically during the Term and any renewal of this Franchise Agreement and shall govern the operation of the FBC Business. Changes in such requirements may be made by Franchisor from time to time as deemed advisable by Franchisor. Franchisee covenants that it shall operate the FBC Business in accordance with the standards, specifications and procedures from time to time set forth in the Brand Standards Manual, shall comply with any changes in such standards, specifications and procedures as may become necessary and desirable from time to time, and shall accept as reasonable any modifications, revisions, or additions to the Brand Standards Manual which Franchisor, in the good faith exercise of its judgment, believes to be necessary and desirable. In the event of any disputes as to the contents of the Brand Standards Manual, the terms of the master copy maintained at the offices of the Franchisor will be controlling. The Brand Standards Manual contains Confidential Information (as defined in Section XVI) of Franchisor. Franchisee agrees to not disclose the contents of the Brand Standards Manual to any third party, not to make any copies, scans or other duplications of the Brand Standards Manual, and to treat all information contained in the Brand Standards Manual as Confidential Information in accordance with the restrictions set forth in Section XVI.

### C. *Upkeep of FBC Business*

Maintenance and repair of the FBC Business is the sole responsibility of Franchisee. Franchisee shall maintain the FBC Business in accordance with the specifications set forth in the Brand Standards Manual. In addition to the foregoing, in order to introduce new products or services through all FBC Businesses, Franchisee may be required to spend additional amounts on new, different or modified equipment, vessels or fixtures necessary for Franchisee to offer such new products or services. All such new products or services introduced by Franchisor shall be consistent with the concept of the FBC



Businesses as being boat or yacht clubs in which water-based recreational activities and activities ancillary thereto are primary.

In the event the FBC Location is, at any time, to be altered or remodeled, or additional decorations, fixtures, furniture, vessels or equipment are to be installed or substituted, or signs are to be erected or altered, all of such work shall be subject to the prior written approval of Franchisor and, when completed, shall conform to plans and specifications approved by Franchisor. Franchisor may inspect, but shall not be obligated to inspect, such work at any time to ensure the work is performed in accordance with Franchisor's approved plans and specifications.

**D. *Hours of Operation***

Franchisee shall continuously operate the FBC Business for the hours and days of the week as specified in the Brand Standards Manual unless different hours have been approved in writing by Franchisor.

**E. *Supervision***

Franchisee must directly operate the FBC Business. If Franchisee is not an individual, Franchisee must designate an "Operating Principal" acceptable to Franchisor who will be principally responsible for communicating with Franchisor about Franchisee's FBC Business, who will have the authority and responsibility for the day-to-day operations of the FBC Business, and who must have at least a twenty-five percent (25%) ownership interest in Franchisee. The Operating Principal shall devote full time and attendance, as well as his/her best efforts, to the performance of supervisory and day-to-day FBC Business operational duties. Each FBC Location must be managed by one or more Operating Principals who has/have been trained to the satisfaction of and approved by Franchisor in the methods and procedures of the System, who shall be physically present at the FBC Location during operating hours.

**F. *Personnel***

If requested by Franchisee, Franchisor will provide Franchisee with advice regarding the recruiting and selection of an initial staff for the FBC Business. However, Franchisor will not have the power to hire or fire your employees. Franchisee alone is solely responsible for all hiring and employment decisions and functions relating to the FBC Business, including, without limitation, those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, bonuses, taxes, safety, schedules, conditions, assignments, personnel policies, benefits, recordkeeping, supervision, grievances, discipline and termination of employees, regardless of whether Franchisee has received advice from Franchisor on these subjects or not. Franchisee agrees that any direction Franchisee receives from Franchisor regarding employment policies should be considered as examples, that Franchisee alone is responsible for establishing and implementing its own policies, and that Franchisee understands that Franchisee should do so in consultation with local legal counsel well-versed in employment law. Subject to applicable law, Franchisee agrees to conduct criminal background checks on all employees or independent contractors who would have customer-facing roles at the FBC Business. All employees or independent contractors hired by or working for Franchisee will be Franchisee's employees or independent contractors alone and will not, for any purpose, be deemed Franchisor's employees or subject to Franchisor's control, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. Franchisor will have no obligation to direct Franchisee's employees. Neither this Franchise Agreement nor Franchisor's course of conduct is intended, nor may anything in this Franchise Agreement (nor Franchisor's course of conduct) be construed, to state or imply that Franchisor is the employer of Franchisee's employees and/or independent contractors, or that Franchisee is the employer of



Franchisor's employees or independent contractors. Franchisee agrees to inform each of the FBC Business' employees that Franchisee alone is their employer, and that Franchisor is not. Franchisee agrees to explain to the FBC Business' employees and contractors the respective roles of a franchisor and franchisee and the relationship between Franchisor and Franchisee, and Franchisee will request that all Franchisee's employees and contractors sign any acknowledgement or disclosure explaining the differences between Franchisor and Franchisee, their employer or contractor. Franchisee and Franchisor will each file its own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation payments with respect to each's respective employees and operations, and will each save and indemnify the other of and from any liability of any nature whatsoever by virtue thereof.

All personnel employed by Franchisee at the FBC Business shall maintain such standards of decorum and demeanor as shall be established by Franchisor. All personnel performing managerial or supervisory functions, all personnel receiving special training and instruction, and all persons employed by Franchisee having access to any of Franchisor's Confidential Information (as herein defined), shall execute Franchisor's then-current form of Confidentiality Agreement (the current form of which is attached in Exhibit H of the Franchise Disclosure Document).

#### G. *Computer System & Software*

Franchisee shall purchase and install, at Franchisee's expense at the FBC Location, such computer hardware, systems, required high speed Internet access, dedicated telephone and power lines, modem(s), printer(s), tablets and other computer-related accessories, software and peripheral equipment ("Computer System") as meets the standards and specifications, set forth in the Brand Standards Manual or otherwise specified by Franchisor in writing. Franchisee acknowledges and agrees that computer designs and function changes are dynamic and that Franchisee may be required to make and install substantial modifications to the Computer System, and make additions, changes and modifications to the Computer System, at Franchisee's sole expense, during the Term of this Franchise Agreement to ensure full operational efficiency and communications capability. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees that Franchisor will have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and Franchisee agrees to comply with those reasonable new standards that Franchisor establishes as if Franchisor periodically revised this Section for that purpose. Franchisee must upgrade or replace its Computer System at such time as specifications are revised by Franchisor. There is no limitation on the frequency and cost of this obligation. Franchisee will be responsible for any increase in fees that result from any upgrades, modifications, or additional software or from increases from third-party vendors. Franchisor reserves the right to: (i) change or add approved suppliers of these services at any time in Franchisor's sole discretion; (ii) enter into a master license agreement with any software or technology supplier and sublicense the software or technology to Franchisee, in which case Franchisor may charge Franchisee for all amounts that Franchisor must pay to the licensor based on Franchisee's use of the software or technology; (iii) create proprietary software or technology that must be used by its franchisees, in which case Franchisor may require that Franchisee enter into a license agreement with Franchisor and pay Franchisor reasonable initial and ongoing licensing, support and maintenance fees; and (iv) increase or decrease the Technology Fee and other technology and licensing and expenses that Franchisee is required to pay under this Franchise Agreement.

#### H. *Franchisee's Cooperation*

Franchisee shall cooperate with Franchisor in taking any action, or refraining from taking any action which, in the judgment of Franchisor, is necessary or desirable to promote and enhance the quality of the service provided by the FBC Business, or the image of the FBC Business, in the local community. Franchisee shall attend all franchise meetings as Franchisor deems mandatory from time to time and as



Franchisor deems in the best interest of the System as a whole, including the annual meeting. The cost of attending said meetings shall be borne by Franchisee including the cost of transportation, subsistence, lodging, and a tuition or attendance fee if deemed warranted by Franchisor. Franchisor may preclude Franchisee from attending an annual meeting or other franchise meetings if Franchisee is in default of this Franchise Agreement at the time of the annual meeting or other franchise meetings or if Franchisee has had two or more notices of default within 12 months prior to any annual meeting or other franchise meeting. Franchisor may also preclude Franchisee from participating in system calls or webinars while Franchisee is in default of this Franchise Agreement.

**I. *Compliance with Laws and Procedures***

Franchisee shall operate the FBC Business in strict compliance with all applicable laws, rules, and regulations of duly constituted governmental authorities including, without limitation, obtaining and maintaining all required permits and licenses and payment of all taxes, and in strict compliance with the standard procedures established by Franchisor from time to time including, without limitation, accounting records and information, on such forms as Franchisor may require; payment procedures; hours of operation; standards of sanitation, cleanliness, maintenance, and repair; cleaning and fire prevention service; and all matters that, in Franchisor's judgment, require standardization and uniformity in all FBC Businesses. All costs that may be incurred in order to maintain and implement such standard procedures shall be borne by Franchisee, at Franchisee's sole expense. Franchisee shall also provide to Franchisor, upon request, copies of all reports filed by Franchisee with any federal, state or local governmental agencies.

**J. *Uniforms and Attire***

Franchisor shall be entitled to prescribe standard uniforms, attire and dress code for all FBC Business personnel, as prescribed in the Brand Standards Manual. The costs of all such uniforms and attire shall be borne by Franchisee.

**K. *Business Practices***

Franchisee shall follow Franchisor's Brand Standards Manual in all business dealings and operations and agrees to adhere to Franchisor's professionalism standards. Franchisee agrees to follow all applicable workplace safety laws, regulations and ordinances in particular with respect to harassment, discrimination, working hours, wages, human rights, forced labor and child labor. Franchisee shall in all dealings with its customers, suppliers, Franchisor and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. Franchisee agrees to refrain from any business or advertising practice which, in the opinion of Franchisor, may be injurious to the business of Franchisor, the System or the goodwill associated with the Proprietary Marks and other FBC Businesses. Franchisee shall render prompt, willing and courteous service to all customers and adhere to Franchisor's customer service procedures. All marketing and promotion by Franchisee shall be subject to Franchisor's prior approval.

**L. *Receipt of Notice***

Within seven days of the receipt by Franchisee of any communication from any governmental or regulatory agency or authority, Franchisee shall mail a complete copy of such communication to Franchisor. Franchisee shall also mail to Franchisor a copy of Franchisee's response to such communication, if a response is required or appropriate, and within five days of receipt, a complete copy of all governmental or regulatory agency replies associated with the foregoing. Within seven days of the receipt by Franchisee of any claim or demand for payment which could have a material effect upon the



operations of the FBC Business by any third party based upon an alleged injury suffered at the FBC Business or upon any other grounds, whether such claim is oral or written, Franchisee shall notify Franchisor in writing and, if such claim is in writing, shall deliver a complete copy of such claim to Franchisor. Franchisee shall notify Franchisor in writing within five days of the commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency, or other governmental instrumentality which may adversely affect the operations or financial condition of Franchisee or the FBC Business, or of any notice of violation of any law, ordinance, or regulation.

M. *Destruction or Damage*

If an FBC Location cannot continue to operate as a result of damage or destruction, Franchisee shall repair and restore the FBC Location to Franchisor's then-existing specifications, subject to the applicable provisions of any Lease at Franchisee's sole cost. The FBC Location, or if necessary, an FBC Location at an accepted substitute location within Franchisee's Protected Territory, shall be open and operating no later than six months from the date of the destruction or damage.

N. *Photo/Video Release*

Franchisee acknowledges and authorizes Franchisor to use Franchisee's likeness or the FBC Location in a photograph in any and all of Franchisor's publications, including printed and digital publications and on websites. Franchisee agrees and understands that any photograph using Franchisee's likeness, the FBC Business or the FBC Location will become Franchisor's property and will not be returned. Franchisee agrees and irrevocably authorizes Franchisor to edit, alter, copy, exhibit, publish or distribute any photograph of Franchisee, the FBC Business or the FBC Location for any lawful purpose. Franchisee agrees and waives any rights to royalties or any other compensation related to Franchisor's use of any such photograph. Franchisee agrees to hold harmless and forever discharge Franchisor from all claims, demands, and causes of action which Franchisee may have in connection with this authorization.

O. *Privacy Laws*

Franchisee agrees to comply with all applicable international, federal, state and local laws pertaining to the privacy of customer, employee, and transactional information applicable to Franchisee's operation of the FBC Business ("Privacy Laws"). Franchisee agrees to research and ensure that the FBC Business is in compliance with Privacy Laws which it acknowledges may vary depending on the location of the FBC Business. Franchisee also agrees to comply with Franchisor's standards and policies pertaining to Privacy Laws to the extent communicated by Franchisor in writing or through the Brand Standards Manual and applicable to the System generally. If there is a conflict between Franchisor's standards and policies pertaining to Privacy Laws and actual applicable law, Franchisee will: (a) comply with the requirements of applicable law; (b) promptly give Franchisor written notice of said conflict; and (c) promptly and fully cooperate with Franchisor and Franchisor's counsel in determining the most effective way, if any, to meet Franchisor's standards and policies pertaining to Privacy Laws within the bounds of applicable law.

Franchisee is solely responsible for preparing, adopting, updating, publishing, implementing, and rescinding its privacy policy and related privacy notices for the FBC Business in compliance with applicable law. Franchisor may from time to time provide brand standards, model disclosures, or general requirements regarding disclosures, data practices, or System functionality, but Franchisor will have no obligation to review or approve Franchisee's privacy policy or related notices for legal sufficiency, and any comments or assistance Franchisor may provide will be advisory only and will not shift responsibility





from Franchisee. Franchisee shall implement any System-required privacy disclosures, consent flows, or related customer-facing processes that Franchisor reasonably requires for the operation of the System.

P. *Artificial Intelligence*

Franchisee shall comply with the Brand Standards Manual and all other written standards Franchisor communicates from time to time regarding the access to, use of, and restrictions on artificial intelligence, machine learning, generative artificial intelligence, large language models, automated decision-making tools, or similar tools, features, or services (collectively, “AI Tools”) in connection with the FBC Business. Without limiting the foregoing, Franchisee shall not, and shall cause its Owners, employees, contractors, agents, and service providers not to:

(i) input, upload, disclose, or otherwise submit to any AI Tool any Confidential Information, Customer Data, personal information, payment card data, nonpublic financial information, employee information, membership data, or other nonpublic information relating to the FBC Business, Franchisor, members, customers, prospects, or employees, except through AI Tools expressly approved or required by Franchisor in writing or through generally approved categories of AI Tools identified in the Brand Standards Manual or other written policy, and only in the manner permitted by Franchisor’s written standards;

(ii) use any AI Tool in a manner that violates applicable law, Privacy Laws, intellectual property rights, consumer protection laws, employment laws, payment card requirements, or Franchisor’s standards;

(iii) rely solely on AI-generated output for Membership Agreements, legal notices, safety instructions, employment decisions, financial reporting, or other material operational decisions without appropriate human review and oversight; or

(iv) represent that any AI Tool is approved, endorsed, or provided by Franchisor unless Franchisor has expressly authorized such representation in writing.

For the avoidance of doubt, Franchisee may use AI Tools for ordinary administrative, drafting, research, productivity, customer-service, or marketing-support functions if such use complies with this Section, does not involve prohibited data inputs, and otherwise complies with Franchisor’s written standards. Franchisee may also use de-identified or anonymized information with AI Tools to the extent such use is permitted by applicable law and Franchisor’s written standards. Franchisee remains solely responsible for all use of AI Tools in connection with the FBC Business and for the accuracy, legality, security, and appropriateness of any inputs, outputs, decisions, communications, or content resulting from such use.

Q. *Customer Data*

All data and personally identifiable information that Franchisee collects, creates, provides or otherwise develops (including, but not limited to name, birth date, mailing address, phone number and email address) that it collects from customers and potential customers in connection with the FBC Business (collectively “Customer Data”) is (and will be) owned exclusively by Franchisor, and Franchisor will have the right, subject to applicable law, to use, disclose, and transfer such Customer Data in any manner that Franchisor deems appropriate, including in connection with System administration, member communications, transition, replacement memberships, successor-operator implementation, and wind-down under Attachment B, without compensation to Franchisee at all times. Franchisor hereby licenses use of such Customer Data back to Franchisee, at no additional cost, only during the Term of the





Franchise Agreement and only as authorized by Franchisor in connection with operating the FBC Business in accordance with the Brand Standards Manual. Copies and/or originals of such Customer Data must be provided to Franchisor by Franchisee at regular intervals, upon termination, non-renewal or expiration of this Franchise Agreement and upon Franchisor's request. Upon termination, non-renewal or expiration of this Franchise Agreement, Franchisee's license to use the Customer Data for any purpose shall end and Franchisee shall return the same to Franchisor and destroy any copies of the same. Franchisee agrees to provide Franchisor with all membership pricing data related to the FBC Business and acknowledges that Franchisor may publish such data in its sole discretion. Franchisee agrees to provide Franchisor with the information that Franchisor reasonably requires with respect to data, privacy, cybersecurity, and incident-response requirements.

#### R. *Cybersecurity*

Franchisee shall establish, implement, maintain, and periodically review a written information security program for the FBC Business that is appropriate to the size and complexity of Franchisee's operations, the nature and sensitivity of the information processed in connection with the FBC Business, and the reasonably foreseeable internal and external risks to such information and systems. At a minimum, Franchisee's cybersecurity program must comply with the Brand Standards Manual and other written standards communicated by Franchisor and must include commercially reasonable administrative, technical, and physical safeguards designed to protect Customer Data, Confidential Information, payment card data, employee information, and other nonpublic information against unauthorized access, acquisition, use, disclosure, alteration, destruction, loss, corruption, or unavailability.

Without limiting the foregoing, Franchisee shall:

- (i) keep all software, systems, and devices used in connection with the FBC Business appropriately supported, patched, and updated;
- (ii) use access controls, passwords, multi-factor authentication where required by Franchisor or industry standards, endpoint protection, encryption of nonpublic information in transit and at rest where commercially reasonable, secure backup and recovery measures, and network and device security controls consistent with Franchisor's standards;
- (iii) limit access to nonpublic information to authorized personnel with a need to know;
- (iv) maintain and periodically review and update incident response, business continuity, and disaster recovery procedures; and
- (v) require any third-party service provider with material access to Customer Data, Confidential Information, or FBC Business systems to maintain reasonable security safeguards and, if requested by Franchisor, contractually agree to comply with Franchisor's applicable cybersecurity requirements.

Franchisee may satisfy some or all of the requirements of this Section through Franchisor-approved or Franchisor-required technology platforms, managed service providers, payment processors, or other third-party service providers, provided that Franchisee remains responsible for its compliance with this Franchise Agreement. Franchisor may also satisfy the requirements of this Section by prescribing checklists, minimum controls, vendor requirements, certifications, or training requirements through the Brand Standards Manual or other written standards.

Franchisee shall notify Franchisor without undue delay if there has been any actual or reasonably suspected unauthorized access to, acquisition of, disclosure of, alteration of, loss of, corruption of, or



inability to access Customer Data, Confidential Information, payment card data, or any FBC Business system, or any other cybersecurity event that could materially adversely affect the FBC Business, Franchisor, the System, or any customer, member, prospective customer, or employee (a “Security Incident”).

Franchisee shall:

(A) promptly take all reasonable steps to contain, mitigate, investigate, remediate, and recover from the Security Incident;

(B) preserve all relevant records, logs, images, and evidence relating to the Security Incident;

(C) provide Franchisor with all information Franchisor reasonably requests concerning the nature, scope, cause, status, impact, and remediation of the Security Incident;

(D) fully cooperate with Franchisor and its representatives in investigating, responding to, remediating, and making any legally required or commercially appropriate notifications relating to the Security Incident; and

(E) not notify any governmental authority, affected individual, payment card brand, acquiring bank, media outlet, or other third party about the Security Incident in a manner that identifies Franchisor, the System, or the Freedom Boat Club brand without first consulting with Franchisor, except to the extent advance consultation is prohibited by applicable law or not reasonably practicable under the circumstances.

An initial notice under this Section may be preliminary and based on the information then available, and Franchisee may supplement such notice as additional information becomes available. Franchisee shall bear all costs and expenses arising from any Security Incident only to the extent proximately caused by Franchisee’s breach of this Franchise Agreement, negligence, or willful misconduct, or the breach, negligence, or willful misconduct of Franchisee’s Owners, employees, contractors, agents, or service providers, and then only to the extent of reasonable, documented, out-of-pocket costs and expenses, including forensic investigation, notice, credit monitoring, call center, remediation, restoration, and other response costs.

#### S. *Methods of Payment*

Franchisee agrees to maintain, at all times, credit card relationships with the credit- and debit-card issuers or sponsors, check or credit verification services, financial-center services, merchant service providers, and electronic-fund-transfer systems (together, “Payment Vendors”) that Franchisor may periodically designate as mandatory. The term “Payment Vendors” includes, among other things, companies that provide services for electronic payment, such as near field communication vendors (for example, “Apple Pay” and “Google Wallet”). Franchisee agrees not to use any Payment Vendor for which Franchisor has not given Franchisee prior written approval or as to which Franchisor has revoked earlier approval. Franchisee shall ensure that each agreement with a Payment Vendor, software provider, CRM provider, or similar service provider permits, to the extent available under applicable law and contract, record production, data export, billing suspension, transition administration, and other cooperation reasonably required by Franchisor or its designee in connection with Step-In Rights or Attachment B. Franchisor has the right to modify requirements and designate additional approved or required methods of payment and vendors for processing such payments, and to revoke approval of any service provider.



Franchisee agrees to comply with the then-current Payment Card Industry Data Security Standards as those standards may be revised and modified by the PCI Security Standards Council, LLC (see [www.pcisecuritystandards.org](http://www.pcisecuritystandards.org)), or any successor organization or standards that Franchisor may reasonably specify. Among other things, Franchisee agrees to implement the enhancements, security requirements, and other standards that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards.

T. *Reciprocity and Member Transfers*

The System utilizes a membership program in which a member of any Freedom Boat Club location worldwide shall enjoy privileges at all club locations and reciprocal benefits at each club, including Franchisee's FBC Business at no cost. Franchisee acknowledges and agrees to provide all eligible members of other franchisees' clubs with access and reciprocal services to the Franchisee's FBC Business at no cost and upon such terms and conditions as Franchisor may specify. Franchisee agrees to follow all membership and reciprocal benefits, standards and requirements as set forth in the Brand Standards Manual and acknowledges that Franchisee may provide more reciprocal services free of charge than other franchisees. Franchisee agrees to comply with Franchisor's requirements under which a customer can switch their membership between Franchisee's FBC Business and another Freedom Boat Club location.

Franchisor may permit a member to permanently change the member's home club from one FBC Business to another FBC Business, provided that the member has remained in good standing with the originating FBC Business for at least one (1) year and pays the applicable transfer fee to the receiving FBC Business. The member's existing membership agreement with the originating FBC Business will terminate, and the member must execute the receiving FBC Business's then-current form of membership agreement, in each case in accordance with Franchisor's then-current standards, policies, and procedures. Franchisee agrees that it will: (a) permit eligible members to transfer from Franchisee's FBC Business to another FBC Business, in which event Franchisee will cease charging monthly membership fees as of the effective date of the member's new membership agreement with the receiving FBC Business; and (b) accept eligible members transferring from another FBC Business upon execution of Franchisee's then-current membership agreement, for a reasonable transfer fee not to exceed the lesser of \$1,000 or the then-current maximum amount permitted under the Brand Standards Manual or otherwise communicated in writing by Franchisor, and without charging any additional initiation fee for the same membership type.

U. *Boats*

Franchisee agrees to only operate the FBC Business in accordance with the System to maintain a minimum inventory of boats and vessels in accordance with the Brand Standards Manual. If Franchisor requires Franchisee to enter into an equipment exclusivity agreement in connection with this Franchise Agreement, Franchisee agrees to enter into Franchisor's current form of equipment exclusivity agreement, the current form of which is attached to the Franchise Disclosure Document in Exhibit H.

V. *Memberships and Membership Agreements*

Franchisee must sell memberships ("Memberships") only on such terms and conditions as Franchisor specifies periodically and may only offer the types of memberships approved by Franchisor, which Franchisor may change in its sole and absolute discretion upon notice to Franchisee. All Memberships must be evidenced by a written or, if approved or required by Franchisor, electronic agreement ("Membership Agreement") and all member and billing information must be promptly and accurately entered into the approved system according to Franchisor's then-current policies. Franchisee



must use Membership Agreements that are based on Franchisor's then-current standard form of Membership Agreement, with the exception, however, that Franchisee shall modify such form of Membership Agreement to comply with any state and/or local law that may require Franchisee to alter the Membership Agreement in the jurisdictions under which Franchisee's FBC Business operates and Franchisee shall ensure that Franchisee and all Membership Agreements sold by Franchisee abide by those laws. Franchisee is solely and exclusively responsible for ensuring that the Membership Agreements it uses in connection with the operation of the FBC Business comply with all applicable laws and regulations. Any changes to the form document must be approved in writing by Franchisor. The Membership Agreement must include: (i) a reciprocity provision that permits members from Franchisee's FBC Business to use other facilities and permits another facility's members to also use Franchisee's FBC Business, (ii) a waiver and release of Franchisor and its affiliates and their respective officers, members, directors, owners, employees, and agents and (iii) a statement identifying the FBC Business as an independently owned franchised location. The Membership Agreement must also include, to the extent permitted by applicable law and approved by Franchisor, provisions consistent with Attachment B stating that the Membership Agreement is solely between the member and Franchisee, that Franchisor is not a party to the Membership Agreement and does not guarantee Franchisee's performance, that the Membership Agreement may be assigned or transferred to Franchisor, its affiliate, or a designated successor operator, and that no assignee has any duty to perform unless it expressly assumes the Membership Agreement in writing. Franchisor shall have the right to prohibit Franchisee from selling, renewing or extending any Membership Agreement that would expire after the expiration of the Term of this Franchise Agreement or any duly executed successor franchise agreement. Franchisor shall also have the right to require Franchisee to cancel any such Membership Agreement to the extent permitted by applicable law and the terms of the applicable Membership Agreement. Franchisee shall be solely responsible for, and shall promptly pay, perform and discharge, all refunds, credits, chargebacks, claims, liabilities and other obligations arising out of or relating to any such cancellation or to the sale of any Membership Agreement extending beyond the authorized term, and, unless expressly assumed in writing, all refunds, deposits, prepaid fees, credits, chargebacks, cancellations, and member claims arising out of or relating to any Membership Agreement subject to transition, assignment, or wind-down under Attachment B. Franchisee shall execute and comply with the "Collateral Assignment and Transition Agreement" attached as Attachment B to this Franchise Agreement.

#### W. Technology Fee

Franchisor may, upon advance written notice to Franchisee, assess a fee for website hosting by Franchisor, for central telephone services, future web-based System integration, and for other technology related services (the "Technology Fee") of up to \$1,000 per month. If implemented, Franchisor reserves the right to periodically increase the Technology Fee, if Franchisor offers updated or additional software or technology, but the Technology Fee shall not exceed \$1,000 per month. If assessed by Franchisor, the Technology Fee will be payable at the same time as the Royalty fee.

### VII. INSPECTION

Franchisor may inspect the FBC Location and FBC Business from time to time to determine compliance with uniformity and quality control without prior notice. Franchisor's personnel or designated agent(s) shall have the right to enter the FBC Location at any reasonable time and from time to time for the purpose of examining, conferring with Franchisee or Franchisee's employees, inspecting the FBC Location, auditing, and all other purposes in connection with ascertaining whether the FBC Business is being operated in accordance with the terms of this Franchise Agreement, the Brand Standards Manual and other applicable rules established by Franchisor in accordance with this Franchise Agreement. Franchisee agrees to remedy any defects, deficiencies or unsatisfactory conditions discovered at the FBC Business by Franchisor's personnel no later than 48 hours after being advised of same in writing. To



ensure uniformity and compliance with Franchisor's standards, Franchisor may send a mystery shopper or similar third party to Franchisee's FBC Business. Franchisor may, but is not obligated to, share the results of the mystery shopper with Franchisee. If Franchisor determines Franchisee is not operating in compliance with the Franchise Agreement, Franchisor may require that Franchisee attend remedial training that addresses Franchisee's operational deficiencies, for which Franchisee shall pay the then-current fee, plus tuition charges, cost of transportation, subsistence, and lodging for the training representative. Franchisee may also request that Franchisor provide additional training (either at corporate headquarters or at the FBC Location). Nothing in this Section will prevent Franchisor from exercising any other rights which Franchisor may have under this Franchise Agreement, including termination.

## VIII. SUPPLIERS

### A. *Products, Supplies and Vessel Inventory*

Franchisee shall cause the FBC Business to conform to Franchisor's specifications and quality standards as specified in the Brand Standards Manual. Franchisee agrees to offer all products and services that Franchisor requires from time to time. Franchisee may not offer any other products or services at the FBC Business without Franchisor's prior written permission. Franchisee will offer all products and services that Franchisor specifies and only those products and services that Franchisor specifies. Franchisor may, without obligation to do so, add, modify or delete authorized products and services sold by the FBC Business, and Franchisee must do the same upon notice from Franchisor. Franchisee may incur additional expenses to offer new products or services. Franchisee shall at all times maintain sufficient vessels and accessories which are appropriate and necessary to commence and continue operations. All vessels used in the FBC Business must meet or exceed Franchisor's then-current standards as set forth in the Brand Standards Manual. Franchisee acknowledges that during the Term of this Franchise Agreement, Franchisor may introduce new, improved, ancillary or other products and/or services to the System, and that Franchisee shall bear and pay the cost associated with such new, improved or ancillary products and/or services, if any. All such new products and/or services shall be consistent with the concept of the FBC Businesses as being boat or yacht clubs in which water-based recreational activities and activities ancillary thereto are primary. Franchisor may, but shall not be required to, arrange for the concentration of purchases with one or more distributors or suppliers to obtain competitive prices. Franchisor reserves the right, at its discretion, to develop proprietary items, to designate itself or any of its parents, affiliates or subsidiaries as an approved or exclusive supplier of any of the products and/or services that Franchisor requires Franchisee to purchase, and to make a profit from the sale of such items to Franchisee. Franchisee agrees to purchase or lease all products, supplies, equipment, services and other items specified in the Brand Standards Manual. If required by the Brand Standards Manual, other written standards, or an applicable equipment exclusivity agreement, Franchisee agrees to purchase or lease only those specified products, services, boats, engines, parts, accessories, or equipment only from suppliers or sources designated by Franchisor for that purpose. Otherwise, Franchisee may obtain such items from approved suppliers that satisfy Franchisor's then-current standards and approval requirements.

Franchisor may from time to time require Franchisee to discontinue the use or sale of any product or item that, in Franchisor's opinion, does not meet the standards of quality established by Franchisor. If a product or distributor is no longer approved, Franchisee will discontinue use of the product and/or the distributor. Franchisor may from time to time allow Franchisee to offer designated courses as specified in the Brand Standards Manual and Franchisee may be required to reimburse Franchisor for scheduling and other expenses related to the offering of such courses.

Franchisee must purchase and maintain a minimum level of boats to meet the customer needs of Franchisee. Franchisor will designate the minimum level of inventory and may modify the minimum



level, age and type of boats to be maintained by Franchisee from time to time in the Brand Standards Manual or otherwise in writing in its sole discretion.

**B. *Supplier Approval***

If during the Term of this Franchise Agreement, Franchisee desires to purchase any equipment, vessels, products, or services for use in the FBC Business from a supplier who has not been previously approved or designated by Franchisor, Franchisee may request in writing that Franchisor approve such supplier. Franchisor shall approve such proposed supplier if, in Franchisor's sole judgment and discretion, Franchisor is satisfied that the supplier can meet and maintain Franchisor's specifications, standards and requirements. In making such request, Franchisee shall furnish Franchisor, at Franchisee's cost, with adequate samples of the items for which approval is being requested, or if that is not feasible, then with copies of descriptions, specifications and pictures of such items. We may charge you the cost of evaluating a proposed new supplier. Franchisee shall not use any such items until approval has been granted and notice thereof has been provided by Franchisor to Franchisee. Franchisor may, in its sole discretion, grant or deny the Franchisee's request to use or sell such item. Nothing contained in this Franchise Agreement shall be construed as an attempt by Franchisor to limit the sources from which Franchisee may procure equipment, supplies, products or other items.

Franchisor may require Franchisee to discontinue the use or sale of any product or item obtained from a supplier recommended initially by Franchisee which, in Franchisor's opinion, does not continue to conform to the image or quality standards of Franchisor and its products.

**C. *Trade Accounts***

Franchisee agrees to maintain its trade accounts in a current status and to seek to resolve any disputes with trade suppliers promptly.

**IX. INSURANCE**

**A. *Policies***

Franchisee must purchase, and at all times during the Term of this Franchise Agreement shall maintain in full force and effect, policies of insurance designated by Franchisor from time to time including:

- (i) Workers' Compensation and Employers' Liability, in amounts prescribed by law;
- (ii) Automobile and Vessel Liability for owned, non-owned and hired vehicles and vessels, in an amount not less than \$1,000,000 Combined Single Limit;
- (iii) Liability insurance written on an occurrence basis, utilizing a combined single limit per occurrence for bodily injury, personal injury and property damage of at least \$1,000,000 per occurrence/\$2,000,000 aggregate (except as prescribed by law or availability for the above);
- (iv) "All risk" insurance covering fire and extended coverage, vandalism and malicious mischief, sprinkler leakage and all other perils of direct physical loss or damage, for the full replacement value of all Franchisee's property, vessels or equipment of any nature located at, on, in or about the FBC Business, or in any way used in the operation of the FBC Business, including all contents and signs, with reasonable deductibles acceptable to Franchisor;





(v) An umbrella excess liability policy in an amount not less than \$1,000,000 per occurrence and \$1,000,000 aggregate; and

(vi) Such additional insurance, including casualty loss insurance, as may be required by the terms of any Lease.

Franchisor may periodically increase the amounts of insurance coverage required under these insurance policies and/or require different or additional insurance coverage at any time in the Brand Standards Manual.

#### B. *Carriers*

All policies of insurance must provide primary coverage and shall be in form and in such amounts as Franchisor shall reasonably determine with companies having a rating of A+ or better as determined by A.M. Best and Co. or a comparable rating by another nationally recognized rating organization. You agree to use the insurance company and broker placing coverage that we direct for all insurance policies. All companies must be licensed in the state in which the FBC Business is located. Franchisee shall name Franchisor as an “additional insured” on all policies (except for employment liability insurance policies) and must provide primary coverage.

Franchisee shall furnish Franchisor certificates for each insurance policy indicating that all required insurance is in full force and effect and will not be terminated or changed without at least thirty (30) days prior written notice to Franchisor. Upon demand, Franchisee shall deliver a copy of all such insurance policies to Franchisor for examination.

#### C. *Failure to Obtain*

Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Franchise Agreement, as revised from time to time for all franchisees, Franchisor shall have the right and authority (without, however, any obligation to do so), to procure such insurance and to charge the costs of such insurance to Franchisee which charges, together with a twenty percent (20%) administrative fee for Franchisor’s expenses in so acting, shall be payable by Franchisee immediately upon notice.

#### D. *Franchisor’s Insurance*

Franchisee’s obligation to obtain and maintain the foregoing policy or policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee’s performance of the foregoing obligations relieve it of liability under the indemnity provisions of this Franchise Agreement.

### X. INDEMNIFICATION

Franchisee agrees to indemnify, defend and hold harmless Franchisor, its parents, subsidiaries and affiliates, and their respective shareholders, directors, officers, employees, agents, successors and assignees (“Indemnified Parties”) against, and to reimburse them for all claims, obligations and damages described in this Section, all third party obligations and all claims and liabilities directly or indirectly arising out of the operation of the FBC Business, including any claims and liabilities arising out of Franchisee’s employment or other contractual relationship with Franchisee’s employees, workers, managers, or independent contractors, including but not limited to any allegation or claim that Franchisor is an employer or joint employer of Franchisee’s employees, or arising out of the use of the Proprietary Marks and System in any manner not in accordance with this Franchise Agreement, excluding any claims





arising from Franchisor's gross negligence, willful misconduct, bad faith or breach of this Franchise Agreement. Franchisee shall comply with the cybersecurity and Security Incident requirements in this Franchise Agreement and shall indemnify Franchisor for any loss of data, including Customer Data. For purposes of this indemnification, claims shall mean and include all obligations, actual and consequential damages, fees and costs reasonably incurred in the defense of any claim 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. Franchisor shall have the right to defend any such claim against it. This indemnity shall continue in full force and effect following and notwithstanding the expiration or termination of this Franchise Agreement.

## XI. ADVERTISING AND RELATED FEES

### A. *Brand Building Fund*

1. Franchisor has established and maintains a systemwide brand building fund (the "Brand Building Fund") for such marketing (including advertising, promotion, public relations and other marketing programs) as Franchisor may deem necessary or appropriate, in its sole discretion. Each month Franchisee shall contribute to the Brand Building Fund an amount equal to one half of one percent (.5%) of the Gross Revenues of the preceding month of Franchisee's FBC Business ("Brand Building Fund Contribution"). Franchisor may increase the Brand Building Fund Contribution to an amount not to exceed one percent (1%) of the Gross Revenues of Franchisee's FBC Business upon 30 days' written notice to Franchisee. FBC Businesses owned by Franchisor and its parents, subsidiaries and affiliates, if any, contribute to the Brand Building Fund on the same basis as Franchisee.

2. Franchisor has sole discretion over all marketing programs financed by the Brand Building Fund. Franchisor has sole discretion over the creative concepts, materials and endorsements used therein, and the geographic market and media placement and allocation thereof. Franchisee agrees that the Brand Building Fund may be used to pay the costs of conducting marketing surveys and research; employing public relations firms; preparing and producing video, audio, and printed marketing materials; administering multi-regional marketing programs including, without limitation, purchasing television, radio, magazine, billboard, newspaper, and other media advertising and employing advertising agencies to assist therewith; providing marketing materials to franchisees; and holding conventions and regional meetings for franchisees.

3. The Brand Building Fund shall be accounted for separately from the other funds of Franchisor and shall not be used to defray any of Franchisor's general operating expenses except that Franchisor may reimburse itself or its authorized representatives or affiliates for salaries, administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes, and all other direct or indirect expenses that Franchisor may incur in activities related to the administration of the Brand Building Fund and marketing programs financed through the Brand Building Fund (including, without limitation, collecting and accounting for contributions to the Brand Building Fund.)

4. Franchisor may spend in any fiscal year an amount greater or less than the aggregate contributions to the Brand Building Fund in that year, and the Brand Building Fund may borrow from Franchisor or others to cover temporary deficits in the Brand Building Fund or cause the Brand Building Fund to invest any surplus for future use by the Brand Building Fund. Franchisee authorizes Franchisor to collect any advertising monies or credits due from any distributor or other supplier to Franchisee and any advertising or other rebates or any discounts from distributors and other suppliers based upon purchases or volume purchases by Franchisor and its franchisees (including purchases by Franchisee); provided, however, that this sentence shall not apply to advertising or other rebates or discounts negotiated by Franchisee solely with respect to Franchisee's own FBC Business.



Franchisor shall have the right to negotiate with suppliers, from time to time, to obtain on Franchisor's and/or Franchisee's behalf, price reductions, discounts or rebates based on volume purchases. Unless such suppliers designate such payments as being for advertising and promotion (in which event, Franchisor shall contribute such payments to the Brand Building Fund), Franchisor may use such payments for any purposes Franchisor deems appropriate. Any such contributions shall be in addition to all other amounts due or contributed under this Franchise Agreement. All interest earned on monies contributed to the Brand Building Fund will be used to pay the costs of the Brand Building Fund before other assets of the Brand Building Fund are expended. Upon written request from Franchisee, a statement of monies collected and expenditures made by the Brand Building Fund shall be prepared annually by Franchisor and provided to Franchisee. Franchisor may terminate or suspend the Brand Building Fund at any time upon reasonable written notice. In such event, all funds remaining in the Brand Building Fund may only be used for advertising and promotional purposes until fully expended.

5. Franchisee acknowledges and agrees that the Brand Building Fund is intended to be used to develop general public recognition of the Proprietary Marks and increase patronage of FBC Businesses in general. Franchisor undertakes no obligation to ensure that expenditures by the Brand Building Fund in, or affecting any geographic area, are proportionate or equivalent to contributions to the Brand Building Fund by FBC Businesses operating in any geographic area or that any FBC Business will benefit directly, or in proportion to its contribution to the Brand Building Fund, from the conduct of marketing programs or the placement of advertising. Franchisor will not use the Brand Building Fund contributions for advertising that is principally a solicitation for the sale of franchises, but Franchisor reserves the right to include a notation in any advertisement or website indicating "Franchises Available" or similar phrasing. Except as expressly provided in this Paragraph, Franchisor assumes no direct or indirect liability or obligation to Franchisee with respect to the maintenance, direction or administration of the Brand Building Fund. No fiduciary duty or relationship is created by virtue of the existence and/or operation of the Brand Building Fund.

6. Franchisor has established an advisory committee ("Marketing Council"), consisting of franchisees and franchisor representatives who advise and consult on the use of the Brand Building Fund. The organizational structure and manner of operation of the Marketing Council is at all times determined by Franchisor in Franchisor's sole discretion. For so long as it is in effect, Franchisor shall consult with the Marketing Council and consider the council's input and advice concerning the use of the Brand Building Fund. Franchisor shall retain sole discretion over all aspects of the Brand Building Fund including, but not limited to, administration and use of the Brand Building Fund.

#### **B. *Local Advertising Requirements***

In all events, and in addition to the Brand Building Fund Contribution required to be paid by Franchisee (if any), Franchisee shall be required to spend on local advertising a monthly amount of at least one percent (1%) of Gross Revenues. Local advertising must be in effect within 30 days after the opening of the FBC Business, and Franchisee is to substantiate local advertising expenditures to Franchisor by supplying such information as Franchisor may require from time to time including, but not limited to, tear sheets, paid advertising invoices, and similar documentation. If Franchisee fails to spend the local advertising requirement, Franchisee must pay to Franchisor the difference between the amount spent and the required local advertising requirement, which amount will be contributed to the Brand Building Fund.

Prior to their use by Franchisee, samples of all marketing materials and descriptions of local promotional programs that Franchisee proposes to use, not prepared or previously approved by Franchisor, shall be submitted to Franchisor for written approval. If written approval is not received by Franchisee within 15 days from the date of receipt by Franchisor of such materials or descriptions,



Franchisor shall be deemed to have disapproved the request. Franchisee shall not use any marketing materials that Franchisor has disapproved. If Franchisee violates the provisions of this Section, Franchisee shall be required to pay a default advertising fee of \$500 per occurrence. This fee is payable to the Brand Building Fund.

In addition to the one percent (1%) of Gross Revenues required to be spent on local advertising, Franchisee shall also be responsible for any Lease obligations which require contributions to a Brand Building Fund, advertising fund or any fund of a similar nature or other forms of advertising expense. Franchisee is also encouraged to attend as an exhibitor, at Franchisee's sole expense, each boat expo located within Franchisee's Protected Territory or, if there are none in such Protected Territory, the most appropriate exhibition for Franchisee's market.

### C. *Electronic Commerce*

1. Franchisee may not maintain a site on the World Wide Web or otherwise maintain a presence or advertise on the Internet, any social media site (such as Facebook, Twitter and LinkedIn), crowdfunding campaign, blog or any other public computer network in connection with the FBC Business including, but not limited to, registering a domain name (whether containing the Proprietary Marks or not), without Franchisor's prior written approval, which Franchisor may withhold for any reason or no reason. Without limiting the foregoing, Franchisee may not establish or maintain a domain name, address, locator, link, metatag or search technique that includes the word "Freedom" or other words or symbols similar to Franchisor's Proprietary Marks. Franchisee agrees to submit to Franchisor for approval before use, true and correct printouts of all website pages Franchisee proposes to use in its website in connection with the FBC Business. Franchisee understands and agrees that Franchisor's right to approve all such website materials is necessitated by the fact that such website materials will include and be linked with Franchisor's Proprietary Marks. Franchisee may only use material on the website which Franchisor has approved. Franchisee agrees not to include pricing on its website. Franchisee's website must conform to all of Franchisor's website requirements, whether set forth in the Brand Standards Manual or otherwise. Franchisee agrees to provide all hyperlinks or other links that Franchisor requires. If Franchisor grants approval for a website, Franchisee may not use any of the Proprietary Marks at the site except as Franchisor expressly permits. Franchisee may not post any of Franchisor's proprietary, confidential or copyrighted material or information on its website without Franchisor's prior written approval. Franchisee explicitly understands that it may not post on its website any material in which any third party has any direct or indirect ownership interest (including, without limitation, video clips, photographs, sound bites, copyrighted text, trademarks or service marks, or any other text or image which any third party may claim intellectual property ownership interests in). Franchisee agrees to list on its website any website maintained by Franchisor, and any other information Franchisor requires in the manner Franchisor dictates. Franchisee agrees to obtain Franchisor's prior written approval for any Internet domain name and/or home page address. The requirement for Franchisor's prior approval set forth in this Section will apply to all activities on the Internet or other communications network to be conducted by Franchisee, except that Franchisee may maintain one or more email addresses and may conduct individual email communications without Franchisor's prior written approval. Franchisee agrees to obtain Franchisor's prior written approval as provided above if it proposes to send advertising to multiple addresses via email. It is a material breach of the Franchise Agreement to engage in any of the above activities in this Section without obtaining Franchisor's prior written approval.

2. Franchisee may not advertise or solicit on the Internet or other communications network without the prior written approval of Franchisor, which approval Franchisor may refuse to give in its sole and absolute discretion. Franchisor may restrict Franchisee's use of social media.



D. *Sales and Marketing Support Fee*

Franchisor offers certain optional sales and marketing support services to Franchisee. Franchisee may request that we provide these services on an ongoing basis or may purchase these services as needed. If Franchisee elects to have Franchisor provide these optional services, Franchisee shall pay Franchisor's then-current fees for such services.

E. *Advisory Council*

Franchisor does not have, but may form, an advisory council ("Council") to advise Franchisor on advertising policies. The Council would be governed by bylaws. Members of the Council would consist of both franchisees and corporate representatives. Members of the Council would be selected by Franchisor and governed by the Council's bylaws. The purpose of the Council would be to, in an advisory capacity, provide input regarding the Brand Building Fund and to promote communications between Franchisor and all franchisees. Franchisor will have the power to form, change, or dissolve the Council, in Franchisor's sole discretion.

XII. COOPERATIVES

A. *Formation*

Franchisor shall have the right at any time, and from time to time, to create local and regional advertising cooperatives (the "Co-op") in connection with the advertising and promotional programs administered by Franchisor or other Freedom Boat Club businesses. If and when Franchisor creates a Co-op for the geographic region in which the FBC Business is located, Franchisee shall become a member thereof, and participate therein, as shall all FBC Businesses owned by Franchisor or any affiliate, parent or subsidiary of Franchisor that are within the same geographic region. The size and content of such regions, when and if established by Franchisor, shall be binding upon Franchisee and all other franchisees similarly situated. At all meetings of such Co-op, each participating franchisee shall be entitled to one vote for each FBC Location located within such Co-op. At any time, upon reasonable notice, twenty percent (20%) of the eligible member votes, or a majority of the directors of the Co-op, may call a meeting of all members of a Co-op. Except as provided in Section XII.B, below, all matters concerning operation of a Co-op shall be decided by majority vote, provided that a quorum is present, and such vote shall bind all members of said Co-op. For purposes hereof, a quorum shall consist of members entitled to cast at least fifty percent (50%) of the total number of votes in such Co-op.

B. *Organization*

Each Co-op shall be organized and governed in a form and manner, and shall commence operations on a date, approved in advance by Franchisor in writing, as follows:

1. Each Co-op shall be organized for the exclusive purposes of administering regional advertising programs and developing, subject to Franchisor's approval, standardized promotional materials for use by the members in local advertising.

2. No advertising or promotional plans or materials may be used by a Co-op or furnished to its members without the prior approval of Franchisor.

3. No advertising shall mention or state prices for the services available at the participating FBC Businesses.



### C. *Advertising Contributions*

If a Co-op is formed in the geographic region in which Franchisee's FBC Business is located, Franchisee will be required to pay an amount established by the Co-op, subject to Franchisor's approval, up to, but not greater than, one and one-quarter percent (1.25%) of the Gross Revenues for each member's FBC Business. Such amount shall be in addition to the amount required to be contributed to the Brand Building Fund (if any), pursuant to Section XI.A. In the event such Co-op advertising contributions are approved, each franchisee, including Franchisee, shall submit its required contribution to the Co-op together with such statements as may be required by the Co-op.

### XIII. PAYMENTS

All payments made to Franchisor under this Franchise Agreement shall be payable via check, credit card, electronic funds transfer or whatever method Franchisor designates from time to time. Franchisor has the right to periodically specify different payees and/or payment methods, such as, but not limited to, weekly or monthly payment, payment by auto-draft, credit card and payment by check. If Franchisee is delinquent in the payment of any obligation to Franchisor under this Franchise Agreement, or under any other agreement with Franchisor, Franchisor shall have the absolute right to apply any payments received from Franchisee to any obligation owed, whether under this Franchise Agreement or otherwise, notwithstanding any contrary designation by Franchisee as to application. If Franchisee fails to pay any fees or any other amounts owed to Franchisor, or Franchisor's parents, subsidiaries or affiliates when due, in addition to any other amounts due in this Section XIII, or if Franchisee fails to submit any report under Section XIV when due, Franchisee shall pay a "Late Fee" of \$100.00. In addition, interest shall begin to accrue from the date of non-payment on any amounts owed by Franchisee to Franchisor or Franchisor's parents, subsidiaries or affiliates at the greater of, subject to the highest allowable rate by state law, (a) the Prime Rate plus eight percent (8%); or (b) eighteen percent (18%) per annum ("Interest"). The Late Fee shall be calculated monthly on any outstanding balance. "Prime Rate" is the announced base rate applicable to corporate loans as stated in the *Wall Street Journal*.

For any payment Franchisee makes to Franchisor by any method other than auto draft, Franchisor reserves the right to charge up to four percent (4%) of the total payment as a service charge.

Notwithstanding the foregoing, each failure to pay the Royalty, the Brand Building Fund Contribution and other payments owed to Franchisor when due will constitute a violation of, and default under this Franchise Agreement entitling Franchisor to pursue all remedies available to it under this Franchise Agreement and all other remedies available at law and in equity. Payment of the Royalty is a condition to Franchisor's performance under this Franchise Agreement, and Franchisee is not entitled to withhold payments due Franchisor hereunder on grounds of alleged non-performance by Franchisor.

All fees expressed as a fixed dollar amount in this Franchise Agreement are subject to adjustment based on changes to the Consumer Price Index in the United States. Franchisor may periodically review and increase these fees based on changes to the Consumer Price Index. Franchisor will notify Franchisee of any CPI adjustment at least 60 days before the fee adjustment becomes effective. Notwithstanding the foregoing, the fee adjustments in this Section shall not impact fees which Franchisor reserves the right to increase in higher amounts or to adjust more frequently, including but not limited to the Technology Fee.



#### XIV. REPORTING, RECORDKEEPING AND ACCOUNTING

##### A. *Reports*

Upon Franchisor's request Franchisee must provide to Franchisor, at Franchisee's expense and in a form acceptable to Franchisor, timely financial statements we specify. Franchisee agrees to comply with all reporting requirements Franchisor prescribes. In order for Franchisor to provide the most timely and useful information to the FBC Business, it is essential that Franchisee collect certain information as soon as possible after the applicable accounting period closes. Franchisee agrees to submit, based on the frequency Franchisor designates, completed relevant worksheets; payroll changes and current hours worked; bank statements; manual check stubs with invoice copies; and any other documents required to properly record all transactions affecting the FBC Business' financial activity. If Franchisee fails to submit reports, statements, and other records when required under this Section, Franchisee shall pay Franchisor a failure to submit required report fee of \$100 per occurrence and \$100 per week for each week that Franchisee's report, statement, or other record remains un-submitted. Fees collected under this Section are paid to the Brand Building Fund. Franchisee will continue to incur this fee until it submits the required report or records. This fee is in addition to any other rights Franchisor may have under the Franchise Agreement, including termination.

Franchisee agrees to give Franchisor in the manner and format Franchisor prescribes from time to time:

- (1) within five days of our request, all profit and loss and source and use of funds statements and a balance sheet for the FBC Business as of the end of the prior calendar month;
- (2) by April 15 of each year (or such later date by which such tax return is required to have been filed) a copy of the tax return for the FBC Business for the previous calendar year; and
- (3) any other data, information, and supporting records reasonably requested by Franchisor from time to time (including, without limitation, daily and weekly reports of product sales by category).

Franchisee must certify and sign each report and financial statement in the manner Franchisor prescribes. Franchisor may disclose or use the data derived from these reports, year-end reports, and any other financial statements from the operation of the FBC Business, for any purpose Franchisor deems appropriate, in Franchisor's sole discretion. If Franchisor utilizes Franchisee's financial statements for disclosure in the Franchise Disclosure Document, Franchisor may be required to disclose identifying information about Franchisee's FBC Business in such disclosure.

##### B. *Records and Audits*

Franchisee shall maintain and preserve accurate books, records (including corporate or other entity minute book), and tax returns, including related supporting material, such as computerized records for the FBC Business for at least three years following the end of the calendar year to which such items relate. Such books, records, tax returns, and supporting material shall be available for inspection, examination, or audit including an audit by a Certified Public Accountant, at any time, at Franchisor's sole discretion and without prior notice. Such examination or audit shall be at Franchisor's expense, unless any statement of Gross Revenues submitted by Franchisee is understated by two percent (2%) or more or if Franchisee fails to submit required reports, in which cases all expenses relating to such audit





shall be borne by Franchisee. Franchisee shall also immediately pay Franchisor any deficiency in Royalty and/or Brand Building Fund contributions as disclosed by such audit or examination, together with Interest on any past due amount. In addition, Franchisee shall provide to Franchisor, upon Franchisor's request, true and correct copies of all of Franchisee's databases. Franchisee shall also provide to Franchisor, upon request, a list of all bank accounts used in connection with the FBC Business and, upon request, copies of monthly bank statements for those accounts. If Franchisor reasonably suspects commingling of FBC Business funds with personal or other non-FBC accounts, Franchisee shall also provide such additional account information reasonably necessary for Franchisor to verify Franchisee's compliance with this Franchise Agreement. Franchisee may only use a dedicated bank account in the conduct of the FBC Business.

### C. *Financial Statements and Tax Returns*

Within 30 days after the close of each calendar or fiscal quarter, Franchisee shall deliver to Franchisor a complete and accurate profit and loss statement and balance sheet, prepared in accordance with Generally Accepted Accounting Principles ("GAAP"), for the preceding three-month period together with any other data requested by Franchisor on a form or forms specified by Franchisor, which may include sales tax returns filed with the appropriate governmental agency.

In addition, on or before the expiration of 90 days after the close of Franchisee's fiscal year, for each year during the Term and any renewal term of this Franchise Agreement, Franchisee shall deliver to Franchisor a balance sheet, income statement and statement of profit and loss reflecting the financial condition of the FBC Business at the end of such fiscal year. Such statements and balance sheets shall be prepared in a consistent manner in the form specified by Franchisor and certified in writing by Franchisee as being true and correct, and shall be accompanied by a letter from a Certified Public Accountant stating that they have been reviewed or audited. Franchisee shall cause Franchisee's Certified Public Accountant to consult with Franchisor concerning any such statement and balance sheet at Franchisee's cost.

During the Term of this Franchise Agreement, Franchisee shall submit to Franchisor copies of Franchisee's federal income tax returns within ten days after their respective filing. Franchisee shall submit to Franchisor, upon request, copies of Franchisee's state and city tax returns and sales tax returns along with such other documents as Franchisor may request from time to time.

## XV. TRANSFER

### A. *Transfer by Franchisor*

Franchisor may freely transfer or assign its rights and obligations under this Franchise Agreement to any person or business entity. The transfer or assignment will be binding upon and will inure to the benefit of the successors and assigns of Franchisor.

Franchisee agrees that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as a "Freedom Boat Club," under the Proprietary Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of these facilities (which Franchisee acknowledges may be within Franchisee's Protected Territory, proximate thereto, or proximate to any of Franchisee's locations). In the event of any territorial conflict or overlap, Franchisor shall use its best efforts to resolve such conflict or overlap within nine months of any such purchase, merger, acquisition or affiliation.





Franchisee agrees and affirms that Franchisor may sell itself, its assets, the Proprietary Marks and/or the System to a third party; may engage in an initial public offering of its securities; may engage in a private placement of its securities; may merge, acquire other corporations, or be acquired by another corporation; and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, Franchisee expressly and specifically waives any claims, demands or damages arising from or related to the loss of Franchisor's name, Proprietary Marks (or any variation thereof) and System and/or the loss of association with or identification of Franchisor as the franchisor under this Franchise Agreement.

If Franchisor assigns its rights in this Franchise Agreement, nothing herein shall be deemed to require Franchisor to remain in business or to offer or sell any products or services to Franchisee.

**B. *Transfer by Franchisee***

1. For purposes of this Franchise Agreement, "Transfer" means any direct or indirect, voluntary or involuntary (including by judicial award, order or decree) assignment, sale, conveyance, subdivision, sublicense or other transfer or disposition of the Franchise Agreement, the FBC Business (or any portion thereof), or any direct or indirect legal, beneficial, voting, economic or other ownership interest in Franchisee (or any fraction or portion thereof), including by merger or consolidation, by issuance of additional securities representing an ownership interest in the entity that is Franchisee, or by operation of law, will or a trust upon the death of an Owner (including the laws of intestate succession), and including any transaction or series of related transactions that results in a change of Control of Franchisee. For purposes of this Section XV, "Control" means the possession, direct or indirect, of the power to direct the management or policies of Franchisee, whether through ownership of voting interests, by contract, or otherwise. For purposes of this Section XV, "Permitted Change of Form Transfer" means a Transfer of this Franchise Agreement to a New Business Entity solely to change the legal form of Franchisee where, immediately before and immediately after the Transfer, (i) the identity of all direct and indirect Owners is identical, (ii) each direct and indirect Owner's percentage ownership and beneficial interest is identical, and (iii) Control remains vested in the same person or persons.

2. This Franchise Agreement has been entered into by Franchisor in reliance upon the personal skill, qualifications, trust and confidence of Franchisee and its Owners. Neither Franchisee nor any Owner may engage in any Transfer without Franchisor's prior written approval. Any Transfer without Franchisor's approval shall be void and constitute a breach of this Franchise Agreement. Franchisor's consent to a Transfer shall not constitute a waiver of any claims Franchisor may have against Franchisee or any Owners, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms or conditions of the Franchise Agreement by the transferee.

**C. *Franchisor's Right of First Refusal***

Except as otherwise expressly provided in this Section XV, any proposed Transfer shall be subject to Franchisor's right of first refusal set forth below ("Franchisor's ROFR"), which shall be exercised in the following manner:

1. Franchisee must provide Franchisor notice of the proposed Transfer and simultaneously obtain and provide a bona fide, signed written offer from the purchaser or transferee and submit an exact copy of the offer ("Offer") to Franchisor along with such additional information requested by Franchisor concerning the proposed Transfer and transferee including, but not limited to, information concerning the employment history, financial condition, credit history, skill and qualifications of the proposed transferee and, in the case of an entity, of its owners, partners, shareholders



and members, as applicable (“Transfer Notice”), together with a description of the interest proposed to be transferred and the identity and percentage ownership of each direct and indirect Owner of Franchisee after giving effect to the proposed Transfer.

2. Within 30 days after Franchisor’s receipt of the Transfer Notice (or if Franchisor shall request additional information, within 30 days after receipt of such additional information), Franchisor may, at its option, elect to exercise Franchisor’s ROFR to purchase the FBC Business on the same terms contained in the Offer submitted to Franchisor. Franchisor will provide written notice to Franchisee as to whether it intends to exercise or not exercise Franchisor’s ROFR. If Franchisor elects to exercise Franchisor’s ROFR, it may substitute an equivalent sum of cash for any consideration other than cash specified in the Transfer Notice. If Franchisor shall elect not to exercise Franchisor’s ROFR and shall consent to such Transfer, Franchisee shall, subject to the provisions of this Section XV, consummate the transaction with the proposed transferee on the terms and conditions specified in the Transfer Notice. If the terms of the Transfer change, or if the Transfer is not completed within 90 days, Franchisee must submit a new Transfer Notice and the time period for Franchisor to exercise the ROFR restarts.

#### D. *Transfer Conditions*

If Franchisor does not exercise Franchisor’s ROFR, or if a proposed Transfer is not subject to Franchisor’s ROFR in accordance with this Section XV, Franchisor may impose any reasonable requirements it deems necessary as a condition of granting of its written consent to a Transfer. Without limiting the generality of the foregoing, the imposition of any or all of the following conditions to Franchisor’s written consent to any such Transfer shall be deemed reasonable:

1. that the transferee, and its Owners, after giving effect to the Transfer, demonstrate the skills, qualifications and economic resources necessary, in Franchisor’s judgment, reasonably exercised, to own and operate the FBC Business;

2. that the transferee shall submit all items reasonably required by Franchisor including, but not limited to: (i) current and accurate financial statements prepared in accordance with GAAP, including a balance sheet, income statement and statement of profit and loss (where relevant under the circumstances), relating to the financial condition of the proposed transferee that have been reviewed or audited by an independent Certified Public Accountant; (ii) federal and state tax returns for the two immediately preceding years; and/or (iii) any other documents that are necessary to enable Franchisor to determine the character, credit worthiness, business experience, professional credentials, ethical background, fitness and suitability of the proposed transferee and its Owners after giving effect to the Transfer;

3. that the proposed transferee must meet Franchisor’s then-current standards for prospective franchisees;

4. that Franchisee must furnish Franchisor with copies of all proposed sale and/or transfer documents before such documents are executed, and Franchisor determines that the price and terms of payment will not adversely affect the proposed transferee’s ability to operate the FBC Business;

5. that if transferee finances any part of the sale price of the transferred interest, Franchisee must agree that all of the transferee’s obligations under any promissory notes, agreements or security interests that Franchisee has reserved in the franchise, are subordinate to the transferee’s obligation to pay all financial obligations to Franchisor as set forth in the Franchise Agreement to be executed by transferee;



6. that Franchisee sign a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's affiliates and their owners, officers, members, directors, employees, and agents;

7. that the transferee shall have completed, at transferee's cost and expense, Franchisor's training program to Franchisor's satisfaction;

8. that as of the date of any such Transfer, Franchisee shall have complied with all material obligations to Franchisor, whether under this Franchise Agreement or any other agreement, arrangement or understanding with Franchisor;

9. that, unless Franchisor agrees otherwise in writing, with respect to any Transfer of this Franchise Agreement or the FBC Business, the transferee shall execute Franchisor's then-current franchise agreement (including all attachments) and, its Owners, and each spouse of any individual Owner, shall execute the related ancillary agreements then being required of new franchisees (except that the transferee shall not be obligated to pay the Initial Franchise Fee);

10. transferee or Franchisee shall pay to Franchisor a transfer fee in an amount equal to \$15,000, including a non-refundable deposit of \$1,000 together with the Transfer Notice; and

11. that if transferee was referred to Franchisee through a broker, Franchisee shall pay any corresponding broker fees charged by such broker.

E. *Financial and Other Information*

Franchisor shall have the right, but not the obligation, to furnish any prospective transferee with copies of all financial statements which have been furnished by Franchisee to Franchisor in accordance with this Franchise Agreement during the one-year period prior to the date the approval of the proposed Transfer is sought. Franchisor shall also have the right, but not the obligation, to advise any prospective transferee of any uncured breaches or defaults by Franchisee under this Franchise Agreement, or any other agreement proposed to be assigned, transferred, or sold. Franchisor's approval of such proposed Transfer shall not, however, be deemed a representation or guarantee by Franchisor that the terms and conditions of the proposed Transfer are economically sound or that, if the Transfer is consummated, the transferee will be capable of successfully operating the FBC Business, and no inference to such effect shall be made from such approval.

F. *Business Entity*

1. If Franchisee is an individual and desires to form a corporation, partnership, limited liability or similar entity owned wholly by the individual or if Franchisee desires to form a new business entity other than the one indicated in Attachment C – Business Entity Information (each, a “New Business Entity”), this Franchise Agreement may not be transferred to the New Business Entity without the prior written approval of Franchisor, which approval shall not be unreasonably withheld. This Section XV.F applies only to a Permitted Change of Form Transfer. If a proposed transfer to a New Business Entity is not a Permitted Change of Form Transfer, then the transaction shall not be governed by this Section XV.F and instead shall constitute a Transfer subject to all otherwise applicable provisions of this Section XV, including Franchisor's ROFR and the Transfer Conditions. If approved, and if Franchisee becomes a New Business Entity, then Franchisee and the New Business Entity (which shall then become Franchisee under this Franchise Agreement) shall execute Franchisor's Approval of Requested Transfer in the form attached as Exhibit H to the Franchise Disclosure Document and agree and represent that:



(a) The New Business Entity has the authority to execute, deliver and perform Franchisee's obligations under this Franchise Agreement and is duly organized or formed and validly existing in good standing under the laws of the state of its formation and has been formed for the sole purpose of operating the FBC Business;

(b) The organizational or governing documents do/will recite that the issuance and transfer of any ownership interests are restricted by the terms of this Franchise Agreement, and all certificates and other documents representing ownership interests will bear a legend referring to the restrictions of this Franchise Agreement;

(c) Attachment C (Business Entity Information) to this Franchise Agreement will completely and accurately describe all the Owners and their interests in the New Business Entity and the direct and indirect ownership of the New Business Entity, immediately after the Transfer, must be identical to the direct and indirect ownership of Franchisee immediately before the Transfer;

(d) Franchisee and Franchisee's Owners shall revise Attachment C (Business Entity Information) as may be necessary to reflect the change in entity form and to furnish such other information about Franchisee's organization or formation as Franchisor may request;

(e) Each of the New Business Entity's Owners, regardless of ownership percentage, and each spouse of any such individual Owner, who did not initially execute this Franchise Agreement or an Owners Agreement acceptable to Franchisor, will sign and deliver Franchisor's Owners Agreement (Attachment D), undertaking to be bound jointly and severally by all provisions of this Franchise Agreement, and any other agreements between Franchisor and Franchisee, including but not limited to Franchisor's Confidentiality Agreement and System Protection Agreement (Exhibit H to the Franchise Disclosure Document), and any other agreements or documents Franchisor requires in connection with the Transfer;

(f) At Franchisor's request, Franchisee will furnish true and correct copies of all documents and contracts governing the rights, obligations and powers of the New Business Entity's Owners and agents (such as, Articles of Incorporation or Organization and partnership, operating or shareholder agreements or similar documents.)

2. The Franchisor's ROFR will not apply to a Transfer to a business entity under this Section only if the Transfer is a Permitted Change of Form Transfer, but any such Transfer remains subject to Franchisor's prior written approval and the other applicable provisions of this Section XV.

3. The legal name of the New Business Entity shall not contain, consist of or include any of the Proprietary Marks or the word "Freedom."

4. If Franchisee becomes a New Business Entity, any direct or indirect Transfer of any ownership interest in the New Business Entity will be deemed a Transfer of this Franchise Agreement and will require Franchisor's prior written consent.

5. In addition, Transfers of ownership interests within any New Business Entity or any entity named as Franchisee in this Franchise Agreement or as assigned by the execution of Franchisor's Approval of Requested Transfer will be subject to all the provisions of this Section XV. Any transfer to a New Business Entity that is not a Permitted Change of Form Transfer shall be treated as a regular Transfer under this Section XV and not as a transfer under this Section XV.F.



G. *No Representation or Guarantee*

Franchisor's consent to a Transfer of this Franchise Agreement, the FBC Business, or any ownership interest in any business entity controlled by Franchisee, does not constitute a representation as to the fairness of the terms of any contract between Franchisee and any transferee, nor does Franchisor's consent constitute a guarantee of the successful operation of the FBC Business by the transferee or a waiver of any claims Franchisor has against Franchisee.

H. *Offerings by Franchisee*

Ownership interests (hereinafter "Securities") in Franchisee may be offered to the public, by public or private offering or otherwise only with the prior written consent of Franchisor, which consent may be withheld in Franchisor's sole discretion. All materials required for such offering by federal or state law shall be submitted to Franchisor for review prior to their being filed with any government agency, or if they are to be used in any exempt offering, shall be submitted to Franchisor for review prior to their use. No offering by Franchisee shall imply (by use of the Proprietary Marks or otherwise) that Franchisor is participating in an underwriting, issuance, or offering of the Franchisee's securities. The Franchisee must fully indemnify Franchisor in connection with the offering and must require other participants in the offering to fully indemnify Franchisor. The Franchisee shall give Franchisor at least 60 days written notice prior to the effective date of any offering or other transaction covered herein. Any issuance, transfer or other disposition of Securities, regardless of percentage, constitutes a Transfer subject to all other provisions of this Section XV, including Franchisor's prior written approval rights and the document execution requirements set forth above.

I. *Death or Permanent Disability*

If Franchisee is an individual, upon Franchisee's death or permanent disability or, if Franchisee is a business entity, upon the death or permanent disability of the Operating Principal or any Owner responsible for the day-to-day operation of the FBC Business, the executor, administrator, conservator or other personal representative shall transfer the interest in this Franchise Agreement or the ownership interest within a reasonable time, not to exceed nine months from the date of death or permanent disability, to a third party approved by Franchisor. Any Transfer under this Section, including any Transfer by gift, devise, or inheritance, is subject to Franchisor's prior written approval and all other applicable provisions of this Section XV; provided, however, that Franchisor's ROFR shall not apply to any Transfer by gift, devise, or inheritance. If the Transfer is of a type described in Section XV.D.9, then the transferee shall comply with the requirements of Section XV.D.9, unless Franchisor agrees otherwise in writing. Failure to dispose of such interest within the specified period of time will constitute a breach of this Franchise Agreement. For purposes of this Franchise Agreement, the term "permanent disability" will mean a mental or physical disability, impairment or condition that is reasonably expected to prevent, or actually does prevent, Franchisee or such person from supervising the operation of the FBC Business for a period of six months from the onset of such disability, impairment or condition.

J. *No Encumbrance*

Franchisee shall not in any event have the right to pledge, encumber, hypothecate or otherwise give any third party a security interest in this Franchise Agreement in any manner whatsoever.

K. *Interim Management; Step-In Rights*

1. In order to prevent any interruption of the FBC Business operations which would cause harm to the FBC Business, thereby depreciating the value thereof, Franchisor shall have the right,



but not the obligation, to step-in and designate an individual of Franchisor's choosing (an "Interim Manager") for so long as Franchisor deems necessary and practical to temporarily manage the day-to-day operations of the FBC Business: (i) if Franchisee fails to comply with any provision of this Franchise Agreement and does not cure the failure within the time period specified by the Franchise Agreement; (ii) if Franchisor determines in its sole judgment that the operation of the FBC Business is in jeopardy; (iii) if Franchisor determines in its sole discretion that operational problems require that Franchisor operate the FBC Business; (iv) if Franchisee abandons or fails to actively operate the FBC Business; (v) upon the absence, termination, illness, death, incapacity or disability of Franchisee or, if Franchisee is a business entity, the Operating Principal or any Owner responsible for the day-to-day operation of the FBC Business; or (vi) if Franchisor deems Franchisee or its management or ownership incapable of operating the FBC Business ("Step-In Rights"). Notwithstanding Franchisor exercising the Step-In Rights, Franchisee agrees that Franchisor does not lose or waive a right to exercise any other rights or remedies which Franchisor may have legally or under this Franchise Agreement. Franchisee shall own the FBC Business at all relevant times if Franchisor exercises the Step-In Rights and shall remain solely responsible for all liabilities that the FBC Business incurs.

2. If Franchisor exercises its Step-In Rights: (i) Franchisor will maintain, in a separate account, all receipts which the FBC Business generates; (ii) Franchisor will deduct from such account and pay all expenses of the FBC Business, which will include the Royalty, Brand Building Fund Contribution and reasonable compensation and expenses for the representatives of Franchisor incurred in connection with exercising such Step-In Rights including but not limited to travel, lodging, meals and other out of pocket expenses; (iii) Franchisee will pay to Franchisor a management fee of \$250 per day for up to 120 consecutive days at a time; (iv) Franchisee agrees to hold harmless Franchisor and its representatives including the Interim Manager for all actions or omissions which occur during the course of the temporary operation and defend Franchisor from any claim or proceeding brought against Franchisor, Franchisor's representatives or the Interim Manager in connection with exercising the Step-In Rights; and (v) Franchisee agrees to pay Franchisor's reasonable attorney fees and costs which might arise from the exercise of the Step-in Rights. Franchisor may, in its sole discretion, condition the exercise of its Step-In Rights on the Franchisee entering into a management agreement for the operation of the FBC Business and Franchisor may cease from operating the FBC Business at any time upon notice to Franchisee in its sole discretion. Nothing in this Section will prevent Franchisor from exercising any other rights which Franchisor may have under this Franchise Agreement, including the right to terminate this Franchise Agreement.

## XVI. PROPRIETARY RIGHTS AND CONFIDENTIALITY

### *A. Proprietary Rights and Confidentiality*

Nothing contained in this Franchise Agreement shall be construed to require Franchisor to divulge to Franchisee any confidential or proprietary information, except for the material contained in the Brand Standards Manual and training materials. Franchisee acknowledges that knowledge of Franchisor's marketing methods, product analysis and selection, service methods, skills relating to the development and operation of an FBC Business, know-how, techniques, information, trade practices and other proprietary data is derived entirely from information disclosed to Franchisee by Franchisor and that such information is proprietary, confidential, and trade secrets of Franchisor (the "Confidential Information"). Confidential Information shall not include information which: (a) at or prior to the time of receipt was in the public domain; (b) at or prior to the time of receipt or the signing of this Franchise Agreement, whichever occurred first, was known to Franchisee and in actual commercial use by Franchisee or generally within the industry, in the manner and combination disclosed; or (c) is subsequently received by Franchisee from an independent third party not in breach of any duty of non-disclosure, secrecy, nonuse or similar duty, but only to the extent and in the form, manner and





combination so disclosed. Franchisee agrees to adhere fully and strictly to all confidentiality attached to such information and to exercise the highest degree of diligence in safeguarding Confidential Information during and after the Term of this Franchise Agreement, whether or not any such information is specifically labeled as confidential. Franchisee shall divulge such material only to employees and only to the extent necessary to permit the effective operation of the FBC Business. It is expressly agreed that the ownership of all of the Confidential Information is and shall remain vested solely in Franchisor, and that all Customer Data and information obtained in the first instance by Franchisee is and shall be the exclusive property of Franchisor.

Franchisee further agrees that Franchisee:

1. will not use the Confidential Information in any other business or capacity;
2. will maintain the absolute confidentiality of the Confidential Information during and after the Term of this Franchise Agreement;
3. will not make unauthorized copies of any portion of the Confidential Information disclosed in any form, including electronic media, written form, or other tangible form, and will not input, upload, disclose, or otherwise submit any Confidential Information to any AI Tool except as expressly permitted by Franchisor in writing; and
4. will adopt and implement all reasonable procedures prescribed by Franchisor, from time to time, to prevent unauthorized use and/or disclosure of the Confidential Information, including restrictions on disclosure to employees and the use of nondisclosure and non-competition agreements that Franchisor may prescribe for persons having access to the Confidential Information.

Franchisee will implement appropriate physical, technical, and organizational measures to protect the Confidential Information in its possession or control from any accidental or unauthorized exposure, disclosure, deletion, encryption, or removal from availability (“Confidential Information Breach”). Appropriateness shall be determined in light of the state of the art, the costs of implementation and the nature, scope, context, and purposes for which the Confidential Information has been disclosed to Franchisee. These measures shall include, at a minimum, encryption of the Confidential Information, electronic access controls, and physical access controls. Any disclosure not required by law of the Confidential Information to a third party shall be subject to a written agreement obligating the third party to provide protections for the Confidential Information no less robust and protective than those described in the Brand Standards Manual. As between Franchisee and Franchisor, Franchisee shall be responsible for the actions and compliance with this Agreement of the third parties to which it makes any disclosure of the Confidential Information.

In the event of any Confidential Information Breach, Franchisee shall comply with the notice, mitigation, investigation, cooperation, remediation, and cost obligations applicable to a Security Incident under Section VI of this Franchise Agreement. Any Confidential Information Breach shall constitute a Security Incident for purposes of Section VI.

In addition to any audit right(s) provided elsewhere herein, in the event that Franchisor is required or directed to perform (or have performed by a third-party auditor) an audit of Franchisee (or its subcontractors (or any of their subcontractors) who have access to Franchisor’s Confidential Information) by a court, tribunal, or governmental authority, then Franchisee will allow for and contribute to such audit. In the preparation for and performance of such audit, each of Franchisor and Franchisee will bear its own costs unless such audit reveals a material breach of applicable law or of this Section, in which case, Franchisee will bear all reasonable costs associated with such audit.





Notwithstanding the foregoing, disclosure of the Confidential Information may be made in judicial or administrative proceedings, but when and only to the extent Franchisee is legally compelled to disclose such Confidential Information; provided, however, that Franchisee must first give Franchisor the opportunity to obtain an appropriate protective order or other assurance that the confidential nature of the material to be disclosed will be maintained. The restrictions on the disclosure and use of the Confidential Information will not apply to disclosure of Confidential Information: (a) made in confidence to a government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; (b) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; (c) made in cases of suit for retaliation based on the reporting of a suspected violation of law, disclosure of Confidential Information to an attorney and for use of the Confidential Information in such court proceeding, so long as any document containing the Confidential Information is filed under seal and Confidential Information is not otherwise disclosed except pursuant to court order.

During the Term of this Franchise Agreement, or any Interim Period, any improvements or additions to the System, patents, Proprietary Marks, website or any other documents or information pertaining to or relating to the System or the FBC Business, or any new trade names, trade and service marks, logos, or commercial symbols related to the FBC Business or any advertising and promotional ideas or inventions related to the FBC Business (collectively, the “Improvements”) that you conceive or develop shall become our property. You agree to assign and do hereby assign to us, all right, title and interest in and to the Improvements, including the right to grant sublicenses to any such Improvement. You shall fully disclose the Improvements to us, without disclosure of the Improvements to others, and shall obtain our written approval prior to using such Improvements. Any such Improvement may be used by us and all other franchisees without any obligation to you for royalties or other fees. We may, at our discretion, apply for and own copyrights, patents, trade names, trademarks and service marks relating to any such Improvement and you shall cooperate with us in securing such rights. We may also consider such Improvements as our property and trade secrets. In return, we shall authorize Franchisee to utilize any Improvement that may be developed by other franchisees and is authorized generally for use by other franchisees. All Improvements created by you or any other person or entity retained or employed by you are our property, and we shall be entitled to use and license others to use such Improvements unencumbered by moral rights. If any of the Improvements are copyrightable materials, they shall be works made for hire within the meaning of the United States Copyright Act and, to the extent the copyrighted materials are not works made for hire or rights in the copyrighted materials do not automatically accrue to us, you irrevocably assign and agree to assign to us, its successors and assigns, the entire right, title, and interest in perpetuity throughout the world in and to any and all rights, including all copyrights and related rights, in such copyrighted materials, which you and the author of such copyrighted materials warrant and represent as being created by and wholly original with the author. Where applicable, you agree to obtain any other assignments of rights in the Improvements from another person or entity necessary to ensure our right in the Improvements as required in this Section.

## XVII. NON-COMPETITION

### A. *Restrictive Covenant*

#### 1. *In-Term and Post-term*

Franchisee agrees that for so long as this Franchise Agreement is in effect and for a period of two years immediately following its expiration, non-renewal or termination for any reason, Franchisee will not, either directly or indirectly, as a proprietor, partner, investor, lender, shareholder, director, officer, member, manager, employee, principal, agent, representative, advisor, franchisor, franchisee, consultant or otherwise, engage in any Competitive Business. Nothing in this Franchise Agreement shall prevent



Franchisee or its shareholders, directors, officers (if a corporation), partner (if a partnership), members and managers (if a limited liability company), or employees from owning for investment purposes up to an aggregate of five percent (5%) of the capital stock of any Competitive Business that is a publicly held corporation whose stock is listed and traded on a national or regional stock exchange, or through the National Association of Securities Dealers Automated Quotation System (NASDAQ), provided that Franchisee does not control any such company.

The foregoing prohibition shall also preclude Franchisee, from, directly or indirectly:

(a) knowingly engaging in any activity to solicit, encourage, or induce any customer doing business with any other franchisee (wherever located) to commence doing business with Franchisee, except with Franchisor's prior written consent; and/or

(b) on behalf of Franchisee or any other person or entity, or as an employee, proprietor, owner, consultant, agent, contractor, employer, affiliate, partner, officer, director, manager or associate, stockholder or member of any other person or entity, or in any other capacity, solicit, divert, take away, or interfere with any of the business, customers, clients, contractors, trade or patronage of Franchisor, or Franchisor's parents, subsidiaries or affiliates, as the same may exist during the Term of this Franchise Agreement, except with the prior written consent of Franchisor.

For purposes of this Section XVII:

(a) "Competitive Business" means the ownership, operation, lending of money, or performing of services for any other boat membership club or boat rental business which competes, directly or indirectly, with the System if such other business is located at, or within: (i) 50 miles of the boundaries of Franchisee's Protected Territory; or (ii) 50 miles of the location of any other FBC Business, either opened or under development and either owned by another franchisee or owned by Franchisor or Franchisor's parents, subsidiaries or affiliates of Franchisor.

(b) "Directly or indirectly" includes, but is not limited to, all entities under Franchisee's control or under common control with Franchisee, and a Franchisee's spouse, and minor children.

(c) "Franchisee" means an individual Franchisee and, for a business entity Franchisee, all persons owning any ownership interest therein.

## 2. *Independent Covenants*

Franchisor and Franchisee agree that each of the foregoing covenants in this Section XVII shall be construed as independent of any other covenant or provision of this Franchise Agreement. Franchisor and Franchisee further agree that the foregoing restrictions limit Franchisee's right to compete only to the extent necessary to protect Franchisor from unfair competition. Should any part of one or more of these restrictions be found to be unenforceable by virtue of its scope in terms of area, business activity prohibited or length of time, and should such part be capable of being made enforceable by reduction of the term or geographic scope of such restriction, Franchisee and Franchisor agree that the restriction shall be enforced to the fullest extent permissible under applicable law. In addition, Franchisor may, unilaterally, at any time in its sole discretion, revise any of the covenants in Paragraph A of this Section XVII, so as to reduce the obligations of Franchisee hereunder. The running of any period of time specified in Paragraph A hereof shall be tolled and suspended for any period of time in which Franchisee is found by a court of competent jurisdiction or an arbitrator to have been in violation of any restrictive covenants contained herein. Franchisee further agrees that the existence of any claim it may have against



Franchisor whether or not arising from this Franchise Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section XVII.

### 3. *Enforcement of Covenants*

Franchisee acknowledges that a violation of the terms of the covenants in this Section XVII would result in immediate and irreparable injury to Franchisor for which no adequate remedy at law may be available. Accordingly, Franchisee agrees that it is estopped from contesting the lack of immediate and irreparable injury and hereby consents to the entry of an injunction prohibiting any conduct by Franchisee in violation of the terms of the covenants set forth in this Section XVII ex parte and without prior notice to Franchisee. Franchisee further agrees to pay all costs and expenses (including reasonable attorney fees at all levels) incurred by Franchisor in connection with the enforcement of the covenants set forth in this Section XVII. Franchisee further acknowledges that in the event Franchisor assigns, transfers this Franchise Agreement or the System, the restrictive covenants may be enforced by any such transferee. Franchisee further represents that enforcement of these covenants will not prevent Franchisee from earning a livelihood or engaging in a lawful business that does not conflict with our legitimate interests. Franchisee and Franchisor agree that these covenants will be interpreted and enforced to the fullest extent permitted by applicable law, including under any “rule of reason” or similar standard used to evaluate the enforceability of restrictive covenants.

### 4. *Separate Agreement*

If Franchisee is a corporation, limited liability company, partnership or other business entity, all Owners, officers, directors, managers and key management personnel (regardless of title, the “Covenanters”) who do not sign the Owners Agreement under Section XV.F.1(e) shall execute Franchisor’s System Protection Agreement in the form attached as Exhibit H to the Franchise Disclosure Document.

### B. *Non-Disclosure*

At no time during or after the Term of this Franchise Agreement shall the Covenanters disclose any Confidential Information of Franchisor including, without limitation, the contents of the Brand Standards Manual, other manuals, or training materials except to the limited extent provided herein.

## XVIII. RELATIONSHIP OF THE PARTIES

In all matters pertaining to the operation of the FBC Business, Franchisee is and shall be an independent contractor in fact and in law. Franchisee shall conspicuously identify Franchisee in all dealings with customers, suppliers, public officials, and others as the owner of the FBC Business pursuant to a franchise with Franchisor and shall place such other notices of independent ownership on such forms, business cards, stationery, advertising and other materials as Franchisor may require from time to time. Franchisee will use its legal name on all documents for use with its employees and contractors (including but not limited to, employment applications, timecards, pay checks, and employment and independent contractor agreements) and will not use the Proprietary Marks on these documents. Franchisee will not hold itself out as Franchisor’s agent, employee, partner or co-venturer. No employee of Franchisee shall be deemed to be an employee of Franchisor. Nothing herein contained shall be construed to create a partnership, joint venture or agency between Franchisee and Franchisor. Neither Franchisor nor Franchisee shall be liable for the debts or obligations of the other unless such obligations are expressly assumed in writing. Franchisee alone is responsible for all employment decisions and functions of its FBC Business, including, without limitation, those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping,



supervision, and discipline of employees, regardless of whether you have received advice from us on these subjects or not. Franchisor will have no liability for any action or settlement related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, and discipline of employees and Franchisee agrees to indemnify Franchisor for any such liabilities Franchisor incurs. Franchisee agrees that Franchisor shall have the right to delegate to third-party designees, whether these designees are Franchisor's agents or independent contractors with whom Franchisor has contracted (1) the performance of any portion or all of Franchisor's obligations under this Franchise Agreement, and (2) any right that Franchisor has under this Franchise Agreement. If Franchisor does so, such third-party designees shall perform only the functions delegated by Franchisor and shall not thereby be deemed to have assumed any Membership Agreement or any liability to Franchisee, any member, or any third party except to the extent expressly assumed in writing.

## **XIX. DEFAULT AND TERMINATION**

The occurrence of any of the following events shall constitute a material default by Franchisee under this Franchise Agreement:

### ***A. Acts of Automatic Termination***

If during any period in which this Franchise Agreement is in effect, there occurs any of the following events, the Franchise Agreement shall automatically terminate without notice to you and without any opportunity to cure:

#### ***1. Bankruptcy and Insolvency***

Subject to any contrary provisions of any applicable state or federal laws, if Franchisee becomes insolvent or commits an act of bankruptcy, makes a general assignment for the benefit of creditors or to an agent authorized to liquidate Franchisee's property or assets, becomes involuntarily bankrupt, voluntarily files a petition in bankruptcy or reorganization, effects a plan or other arrangement with creditors, files an answer to the creditors' petitions filed against Franchisee (admitting the material allegations thereof) for an adjudication or for reorganization, applies for or suffers the appointment of a receiver or trustee of any of Franchisee's assets or property, or if a receiver or trustee is appointed for any of Franchisee's property or assets. For purposes of this Franchise Agreement, the Franchisee shall be deemed to be "insolvent" upon the occurrence of any one or more of the following events, as determined by Franchisor in its reasonable judgement: (a) Franchisee is generally unable, or admits in writing or otherwise to Franchisor, any landlord, lender, supplier, or other creditor that it is unable to pay its debts as they become due in the ordinary course of business; (b) the fair value of Franchisee's total liabilities exceeds the fair value of its total assets; (c) Franchisee submits to Franchisor financial statements, sales reports, or other financial information under this Franchise Agreement, or otherwise, in connection with the FBC Business, indicates to Franchisor that Franchisee meets one or more of the foregoing insolvency conditions or is otherwise unable to continue operations in the ordinary course; (d) Franchisee requests that Franchisor, a landlord, or a major creditor defer, reduce, restructure, or otherwise modify payment obligations due to financial condition; (e) Franchisee has three or more checks, drafts, or electronic transfers returned for insufficient funds, stopped, or dishonored, or credit card charges denied, within any twelve month period; or (f) Franchisee materially reduces its inventory, supplies, or services to levels insufficient to operate in the ordinary course due to inability to pay suppliers.



## 2. *Foreclosure*

If the FBC Business or FBC Location is seized, taken over or foreclosed by a government official in the exercise of his duties, or seized, taken over, or foreclosed by a creditor, lienholder, or lessor; if a final judgment against Franchisee remains unsatisfied for 30 days (unless a supersedeas or other appeal bond has been filed); or if a levy or execution has been made upon the license granted by this Franchise Agreement or upon any property used in the FBC Business, and such levy or execution is not discharged within five days.

### B. *Acts Without Opportunity to Cure Before Termination*

Franchisor may, in its sole discretion, terminate this Franchise Agreement immediately upon written notice to Franchisee, without opportunity to cure, upon the occurrence of any of the following events, each of which constitute material events of default under this Franchise Agreement.

#### 1. *Failure to Operate - Abandonment*

If Franchisee abandons the FBC Business by failing to operate the FBC Business for five consecutive days during which Franchisee is required to operate the FBC Business under the terms of this Franchise Agreement, or any shorter period if it is reasonable under the facts and circumstances for Franchisor to conclude that Franchisee does not intend to continue operating the FBC Business, unless such failure to operate is due to Force Majeure.

#### 2. *Misrepresentation.*

If Franchisee or any Owner commits any fraud or makes any material misrepresentation relating to the acquisition of the FBC Business.

#### 3. *Reputation Harm*

If Franchisee or any Owner engages in conduct which reflects materially and unfavorably upon the operation and reputation of the FBC Business, the System or Franchisor.

#### 4. *Criminal Misconduct*

If Franchisee, or a controlling Owner if Franchisee is a business entity, is convicted of, or pleads *nolo contendere* (no contest) or its equivalent to, (or failed to disclose such event occurring within the ten-year period prior to the date of execution of this Franchise Agreement) a felony or any other criminal misconduct that reflects or would reflect unfavorably on the FBC Business.

#### 5. *Violation of Law*

If Franchisee fails, for a period of ten (10) days after written notice from Franchisor or any governmental or quasi-governmental agency or authority, to comply with any applicable federal, state, or local law, rule, regulation, ordinance, order, permit requirement, or other legal requirement relating to the operation of the FBC Business.

#### 6. *Duplication of System*

If Franchisee duplicates Franchisor's System or makes or causes an unauthorized disclosure of any portion of Franchisor's System or Confidential Information.



7. *Failure to Pay Third Parties Resulting in Franchisor Action*

If Franchisee takes any action or fails to take any action resulting in: (i) Franchisor curing a material default by Franchisee under any agreement with a third party, other than a financing arrangement addressed in Section XIX.D below, including Franchisee's suppliers, vendors, or landlord; or (ii) any party with which Franchisor has a contractual relationship requiring Franchisor to purchase Franchisee's inventory, supplies, furnishings, fixtures, or equipment.

8. *Under-Reporting*

If an audit or investigation discloses that Franchisee has knowingly maintained false books or records, or submitted false reports to Franchisor, or knowingly understated its Gross Revenues or withheld the reporting of same, or, if, on two or more occasions in any single 24 month period, any audits or other investigations reveals an under-reporting or under-recording error of two percent (2%) or more, or on any single occasion any audit or other investigation reveals an under-reporting or under-recording of five percent (5%) or more.

9. *Repeated Failures to Comply*

If Franchisee on three occasions during any 12-month period commits defaults or violations of this Franchise Agreement, whether or not such defaults or violations are corrected after notice from Franchisor to Franchisee.

10. *Transfer Without Prior Consent*

Any attempted Transfer, sublicense, encumbrance or disposal of any interest in the FBC Business or any right under this Franchise Agreement in violation of Section XV of this Franchise Agreement.

11. *Loss of FBC Location*

If during the Term of this Franchise Agreement, or any extension or renewal thereof, the right to occupy the FBC Location is lost and a new location, satisfactory to Franchisor and Franchisee, is not leased within 90 days of the termination of the right to occupy the FBC Location.

12. *Failure to Operate*

Failure to operate the FBC Business during such days and hours as may be specified in accordance with this Franchise Agreement.

13. *Intellectual Property Misuse*

If Franchisee materially misuses or makes any unauthorized use of the Proprietary Marks or otherwise materially impairs the goodwill of Franchisor's rights, or Franchisee takes any action which reflects materially and unfavorably upon the operation and reputation of the FBC Business, the System, or the Freedom Boat Club brand generally or if your employees or independent contractors engage in any of the same actions described above, unless you shall have exercised your best efforts to prevent such disclosures or use.



14. *Loss of License*

Any license, permit, authorization, certificate or other governmental approval required to operate the FBC Business is suspended, revoked, cancelled, declared void, terminated, expires or otherwise becomes invalid.

15. *Failure to Open*

Failure to secure a site for the FBC Business within 60 days after the execution of this Franchise Agreement, or failure to open the FBC Business for business within 120 days after execution of this Franchise Agreement.

16. *Failure to Pay Obligations to Franchisor*

Franchisee fails to pay any amounts due to Franchisor or Franchisor's parents, subsidiaries or affiliates, within ten days after receiving written demand that such amounts are overdue.

17. *Danger to Public Health*

Franchisor makes a reasonable determination that continued operation of the FBC Business by Franchisee will result in an imminent danger to Franchisee's customers, employees or the public.

18. *Brand Covenants*

Franchisee or any of Franchisee's Owners violates any of the covenants contained in Section XVII of this Franchise Agreement.

19. *Failure to Complete Training*

Franchisee (or its Operating Principal, if Franchisee is an entity), any other persons with responsibility of the FBC Business or any other required attendee fails to complete the Initial Training Program.

C. *Alternative Remedies*

If Franchisee defaults under Sections XIX.B, Franchisor may, at its option and sole discretion, (i) eliminate all protected aspects of Franchisee's right to develop FBC Locations in the Protected Territory (in which case Franchisor may engage and allow other franchisees or licensees to engage in such activities), (ii) decrease the number of FBC Locations to be developed according to the development schedule, (iii) reduce the size of the Protected Territory, and/or (iv) terminate all of Franchisee's rights under the Development Addendum to Franchise Agreement, in all cases by giving Franchisee written notice of Franchisor's election, which may or may not offer an opportunity to cure. Franchisor may choose the option or options it prefers.

D. *Termination with Notice and Opportunity to Cure*

If Franchisee defaults under any financing, floorplan, loan, lease, or other credit arrangement relating to the FBC Business, including any arrangement as to which a party has provided a guaranty or other credit support, then Franchisee shall notify Franchisor in writing within two (2) business days after Franchisee becomes aware of the default. In lieu of immediate termination, Franchisor may, in its sole discretion, require Franchisee, within the period specified by Franchisor, to take one or more of the following actions: (i) cure the default; (ii) obtain a written forbearance, reinstatement, or other resolution





acceptable to the applicable lender and Franchisor; (iii) reimburse the guarantor for any amounts paid or incurred under any guaranty or other credit support, together with any related costs and expenses; (iv) execute documents reasonably requested by Franchisor or such guarantor in connection with any workout, restructuring, collateral protection, surrender, repossession, transfer, or remarketing of financed assets; and/or (v) comply with any other reasonable corrective action required by Franchisor to protect the System or mitigate exposure under any guaranty or other credit support. Franchisee's failure to timely comply with any such requirement shall constitute a default under this Section XIX.D.

Notwithstanding any other termination rights or remedies available to Franchisor at law or in equity, Franchisor may, in its sole discretion, terminate this Franchise Agreement upon 30 days' written notice to Franchisee if Franchisee fails to comply with any term, covenant, obligation, condition or provision of this Franchise Agreement not set forth in XIX.A or XIX.B above, (including any failure to comply with the Brand Standards Manual) or any other agreement with Franchisor unless such default is cured within 30 days after receipt of written notice thereof from the Franchisor to the Franchisee, each period of which shall constitute a material event of default under this Franchise Agreement. Notwithstanding the foregoing, if the default is of such a nature that more than 30 days are reasonably required to effect a cure, Franchisee shall commence to cure the default within said 30-day period and shall proceed with due diligence within the period, if any, designated by Franchisor as the allowable additional time within which the cure must be accomplished.

E. *Termination by Franchisee*

Franchisee may not terminate this Franchise Agreement prior to the expiration of the Term based upon a material breach of this Franchise Agreement by Franchisor unless (i) Franchisee is in full compliance with the Franchise Agreement; (ii) Franchisor has committed a material breach of this Franchise Agreement; (iii) Franchisee has provided Franchisor with written notice of such claim specifically describing all alleged material breach(es); and (iv) Franchisee has provided Franchisor with at least ninety (90) days from the receipt of such notice to cure such breach(es). Franchisor shall not be deemed in default for so long as it commences to cure such default within 90 days and diligently continues to prosecute such cure to completion. Failure by Franchisee to give notice in accordance with the preceding sentence shall constitute a waiver by Franchisee of any such alleged default and a waiver of the use of such alleged default as a defense or set off to any claim by Franchisor for enforcement of any provision of this Franchise Agreement.

F. *Cross-Default*

Any default by Franchisee under the terms and conditions of this Franchise Agreement, or any other agreement between Franchisor (or any of Franchisor's parents, affiliates or subsidiaries) and Franchisee, which is so material as to permit Franchisor to terminate this Franchise Agreement or such other agreement, or a default by Franchisee of Franchisee's obligations to any Co-op of which Franchisee is a member, shall be deemed to be a default of each and every such agreement. Notwithstanding the foregoing, in the event of termination for any reason, of this Franchise Agreement or any other agreement between Franchisor and Franchisee, Franchisor may, at its sole option, terminate any or all such agreements.

G. *Notice Required by Law*

Notwithstanding anything to the contrary contained in this Section, in the event any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this Franchise Agreement and the parties hereto shall limit Franchisor's rights of termination hereunder or shall require longer notice periods than those set forth herein, this Franchise Agreement shall be deemed



amended to conform to the minimum notice periods or restrictions upon termination required by such laws and regulations. Franchisor shall not, however, be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, hearing or dispute relating to this Franchise Agreement or the termination thereof.

## XX. POST TERMINATION

### A. *Discontinuance After Termination*

In the event of termination, expiration or non-renewal of this Franchise Agreement for any reason: (i) Franchisee forfeits any and all fees paid to Franchisor and shall no longer use the Proprietary Marks or any other property connected with the franchise; (ii) Franchisee must immediately cease operating as an FBC Business, and shall cease use of all proprietary property of Franchisor including, but not limited to, the Proprietary Marks; provided, however, that Franchisor may expressly authorize in writing limited continued activities solely as necessary to carry out any transition or wind-down under Attachment B; (iii) Franchisee shall immediately return all Brand Standards Manuals, training films, videos, training materials, Confidential Information and other property of Franchisor and shall not operate or do business under any name or in any manner that might tend to give the general public the impression that the former Franchisee is operating a business similar to FBC Businesses franchised by Franchisor or was formerly operating as a Franchisee. Franchisee shall further comply with all post-termination covenants that expressly survive this Franchise Agreement, including but not limited to those pertaining to non-competition or Confidential Information. If applicable law requires that Franchisee retain the Confidential Information, Franchisee may retain a single copy of the Confidential Information for the duration of such requirement, provided that Franchisee maintains the protections for the Confidential Information required by Franchisor.

Upon any expiration, termination or non-renewal of this Franchise Agreement, Franchisor shall have the right, but not the obligation, within 30 days after such expiration, termination or non-renewal, by written notice to Franchisee, to exercise any of its rights under the Collateral Assignment and Transition Agreement, including the right to accept, to the extent permitted by applicable law and the terms of the applicable Membership Agreements, an assignment of all or any portion of Franchisee's right, title and interest in and to the Membership Agreements of the FBC Business, to designate Franchisor, any affiliate of Franchisor, another franchisee, or another third party to acquire, service, or transition all or any portion of such Membership Agreements, or to direct an orderly wind-down of the Membership Agreements, in each case in accordance with Attachment B. For clarity, Attachment B may also be exercised during the Term upon a Transition Event, including abandonment, cessation of operations, insolvency, exercise of Step-In Rights, or other protective circumstances described in Attachment B.

Franchisee acknowledges that all telephone numbers, facsimile numbers, social media websites, Internet addresses and email addresses (collectively "Identifiers") used in the operation of Franchisee's FBC Business constitute Franchisor's assets, and upon termination or expiration of this Franchise Agreement, Franchisee will take such action within five days to cancel or assign to us or our designee as determined by Franchisor, all of Franchisee's right, title and interest in and to such Identifiers and will notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any Identifiers, and any regular, classified or other telephone directory listing associated with the Identifiers and to authorize a transfer of the same to, or at Franchisor's direction. Franchisee agrees to take all action required to cancel all assumed name or equivalent registrations related to your use of the Proprietary Marks. Franchisee acknowledges that, Franchisor has the sole rights to, and interest in, all Identifiers used by Franchisee to promote its FBC Business and/or associated with the Proprietary Marks. Franchisee hereby irrevocably appoints Franchisor, with full power of substitution, as Franchisee's true and lawful attorney-in-fact, which appointment is coupled with an interest, to execute such directions and



authorizations as may be necessary or prudent to accomplish the foregoing. Franchisee further appoints us to direct the telephone company, postal service, registrar, Internet Service Provider, listing agency, website operator, or any other third party to transfer such Identifiers to Franchisor or its designee. The telephone company, postal service, registrar, Internet Service Provider, listing agency, website operator, or any other third party may accept such direction by Franchisor pursuant to this Franchise Agreement as conclusive evidence of Franchisor's rights to the Identifiers and its authority to direct the transfer.

If, following termination, expiration or non-renewal of this Franchise Agreement, Franchisee remains in possession of the FBC Location, Franchisee, at Franchisor's request, will be required at Franchisee's sole cost and expense to de-identify and redecorate the FBC Location to prevent the public from believing the FBC Location continues as a business that competes with the System.

Franchisee further agrees that the existence of any claim it may have against Franchisor, whether or not arising from this Franchise Agreement, shall not constitute a defense to its obligations to de-identify the FBC Location or otherwise return Confidential Information to Franchisor. Franchisee acknowledges that it shall have no rights to use the Proprietary Marks upon notification of termination for any reason.

Franchisee agrees to follow any procedures established by us to ensure the expiration of this Franchise Agreement or any successor term thereof creates the least disruption possible to the System, including those procedures set forth in the Brand Standards Manual.

**B. *Return of Brand Standards Manual Upon Termination***

Immediately upon the termination, expiration or non-renewal of this Franchise Agreement for any reason, Franchisee agrees (i) to cease and forever abstain from using the Confidential Information, or any part thereof or any trade secrets contained therein; (ii) to return to Franchisor all copies of the Brand Standards Manual and all other documents, instructions, display items, advertising material, training tools, and other tangible property connected with the franchise, and (iii) to remove all signs and other items that identify the FBC Business as being connected with Franchisor or the System.

**C. *Assistance by Franchisor Upon Termination***

Upon termination, expiration or refusal to renew or extend this Franchise Agreement for any reason, whether by Franchisee or Franchisor, Franchisor may, but shall have no obligation to, assist Franchisee in locating a person or entity to replace Franchisee as the lessee under any lease used in connection with the FBC Business.

**D. *Obligations Upon Termination***

In the event of termination, expiration or non-renewal, all obligations of Franchisor to Franchisee and all rights of Franchisee under this Franchise Agreement shall automatically terminate; provided, however, any obligations of Franchisee to take, or abstain from taking, any action upon termination, expiration or non-renewal pursuant to this Franchise Agreement shall not be affected by such termination, expiration or non-renewal, including the payment to Franchisor of all sums due from Franchisee at the time of termination, expiration or non-renewal. Franchisee must follow any procedures established by Franchisor to ensure the expiration of this Franchise Agreement or any Interim Period or successor term thereof creates the least disruption possible to the System, including those procedures set forth in the Brand Standards Manual.



E. *Liquidated Damages*

If termination of this Franchise Agreement is the result of Franchisee's default, Franchisee shall pay to Franchisor within 15 days of the termination of this Franchise Agreement a lump sum payment (as liquidated damages for causing the premature termination of this Franchise Agreement and not as a penalty) equal to the combined average monthly Royalties and Brand Building Fund Contribution (without regard to any fee waivers or other reductions) owed by Franchisee to Franchisor, beginning with date Franchisee opens Franchisee's FBC Business through the date of early termination, multiplied by the lesser of: (i) 36 or (ii) the number of full months then remaining in the Term of the Franchise Agreement, except that liquidated damages will not, under any circumstances, be less than \$30,000.

Franchisor and Franchisee acknowledge and agree that a precise calculation of the full extent of the damages that Franchisor will incur on termination of this Franchise Agreement as a result of Franchisee's default in regard to Franchisor's lost royalties is or may be difficult, and Franchisor and Franchisee agree that the lump sum payment provided for under this Section is reasonable in light of the lost royalty damages for premature termination that the Franchisor will incur under such circumstances. The liquidated damages payment set forth above is not exclusive of any other rights and remedies of the Franchisor. Franchisee and each of its Owners agree that the liquidated damages provision does not give Franchisor an adequate remedy at law for any default under, or for the enforcement of, any provision of this Franchise Agreement other than the Royalty and Brand Building Fund sections.

F. *Right of First Offer*

Upon the termination, expiration, or non-renewal of this Franchise Agreement for any reason, Franchisee shall not sell, transfer, or otherwise dispose of any or all of the assets used in the FBC Business ("Assets") without first providing Franchisor with a right of first offer as set forth in this Section. Before offering to sell the Assets to any third party, Franchisee must notify Franchisor in writing of its intention to sell the Assets ("Sale Notice") and provide Franchisor with a detailed list of the Assets and any material terms and conditions upon which Franchisee intends to offer such Assets for sale.

The term "Assets" means, without limitation, equipment, boats, vessels, furnishings, fixtures, signs, and inventory (non-perishable products, materials, and supplies) used in the FBC Business, all licenses necessary to operate the FBC Business (if transferable), and the real estate fee simple or the lease or sublease for the FBC Location. Customer Data is owned by Franchisor and accordingly is not included within the definition of "Assets" and must be returned to Franchisor without charge upon expiration, termination, or non-renewal. Franchisee may not sell the information or lists to a third party. Franchisor will be entitled to the entry of interlocutory and permanent orders of specific performance by a court of competent jurisdiction if Franchisee fails or refuses to timely meet its obligations under this Section.

Franchisor has the right to inspect the Assets used in the FBC Business to determine which Assets it wishes to acquire, and any refusal by Franchisee to cooperate with Franchisor's right to inspect will extend the applicable time periods described herein by an equal period to the duration which Franchisee refuses to cooperate. Within 30 days after receipt of the Sale Notice (the "Offer Period"), Franchisor shall have the right, but not the obligation, to make a written offer to purchase some or all of the Assets ("Written Offer"). Franchisee shall negotiate in good faith with Franchisor for a period of 30 days following Franchisor's Written Offer (the "Negotiation Period"). If the parties are unable to reach agreement on the terms of the sale during the Negotiation Period, or if Franchisor elects not to make a Written Offer within the Offer Period, Franchisee may offer to sell the Assets to third parties on terms no less favorable than those offered to Franchisor; provided, however, that if Franchisee proposes to sell the Assets to a third party on terms more favorable to such third party than those offered to Franchisor, Franchisee must first re-offer the Assets to Franchisor on such more favorable terms.



Prior to the end of the Negotiation Period, Franchisor will notify Franchisee in writing of any objections that Franchisor has to any finding disclosed in any title to lien search, survey, environmental assessment or inspection. If Franchisee cannot or elects not to correct any such title defect, environmental objection or defect in the working condition of the Assets, Franchisor will have the option to either accept the condition of the Assets as they exist or rescind its option to purchase on or before the closing of the purchase transaction. Franchisor will have the right to set off against and reduce the Agreed Price by any and all amounts owed by Franchisee to Franchisor or its affiliates, and the amount of any encumbrances or liens against the Assets or any obligations assumed by Franchisor.

Franchisor will have the unrestricted right to assign this right of first offer to purchase the Assets to its parent company or an affiliate. Franchisor or its assignee will be entitled to all customary representations and warranties, including that the Assets are free and clear (or, if not, accurate and complete disclosure) as to: (1) ownership, condition and title; (2) liens and encumbrances; (3) environmental and hazardous substances; and (4) validity of contracts and liabilities inuring to or affecting the Assets, whether contingent or otherwise.

If the Franchisor and Franchisee have agreed upon the purchase of Assets and the total purchase price ("Agreed Price") during the Negotiation Period, then until such time as the full Agreed Price has been received by the Franchisee and the Assets have been formally delivered to the Franchisor:

(a) The Franchisee shall maintain the Assets in substantially the same condition as they were immediately prior to the commencement of the Negotiation Period, reasonable wear and tear excepted; and

(b) The Franchisee shall ensure that all insurance policies required under this Franchise Agreement remain in full force and effect.

## XXI. SECURITY INTEREST

Franchisee grants to Franchisor a security interest ("Security Interest") in all of the furniture, fixtures, equipment, signage, boats, vessels, real estate (including Franchisee's interests under all real property and personal property leases and all improvements to real estate) and membership agreements of the FBC Business, together with all similar property now owned or hereafter acquired, additions, substitutions, replacements, proceeds and products thereof, wherever located, used in connection with the FBC Business. Attachment B controls with respect to the mechanics of collateral assignment, transition rights, and no-assumption provisions relating to Membership Agreements and related rights.

Franchisee is prohibited from granting a security interest in the FBC Business or in any of Franchisee's assets without Franchisor's prior written consent, which shall not be unreasonably withheld. Franchisor may take a subordinate position in the security interest if a Small Business Administration participating or third-party lender requires a first lien and the appropriate documentation of such subordination is executed by all parties. This Security Interest shall be security for any and all Royalties, Brand Building Fund Contributions, damages, expenses or other sums owed to Franchisor hereunder and for any other amounts Franchisee owes to Franchisor. Franchisee agrees to execute any documents, including but not limited to, a UCC-1 (or replacements therefor or extension thereof) that Franchisor reasonably believes to be necessary to perfect said Security Interest prior to the opening of the FBC Business, and hereby appoints Franchisor as its attorney-in-fact for the purpose of executing such documents should Franchisee fail so to do. Except with respect to Franchisee's sales of de-commissioned boats and vessels in the ordinary course of business, Franchisee shall not sell, transfer, lease, sublease, assign, remove, waste, destroy, encumber or relocate any of the property described herein as subject to Franchisor's Security Interest. Further, Franchisee shall take no other action which interferes with



Franchisor's security interest in said property, unless and until Franchisor releases its security interest in the same.

## XXII. NOTICES

### A. *Writing*

All notices, requests, demands, payments, consents and other communications under this Franchise Agreement shall be transmitted in writing and shall be deemed to have been duly given when transmitted by email (to the last email address provided by the recipient) sent by priority, registered or certified United States mail, postage prepaid, or other form of delivery which provides for a receipt, addressed as follows:

FRANCHISOR:           FREEDOM FRANCHISE SYSTEMS, LLC  
                              10975 Hughey Kimal Drive  
                              Venice, FL 34292

FRANCHISEE:           The Address listed on Attachment A to this Franchise Agreement

### B. *Address Change*

Either party may change such party's address by giving notice of such change of address to the other party.

### C. *Mailed Notice*

Mailed notices shall be deemed communicated within three days from the date of mailing, if mailed as provided in this Paragraph, regardless if delivery shall be refused by addressee.

## XXIII. DISPUTE RESOLUTION

A. Any claim or controversy arising out of or related to this Franchise Agreement, or the making, performance, breach, interpretation, or termination thereof, will be interpreted and construed exclusively under the laws of the State of Florida. In the event of any conflict of law, the laws of Florida will prevail, without regard to the application of Florida conflict of law rules. If, however, any provision of this Franchise Agreement would not be enforceable under the laws of Florida, and if the FBC Business is located outside of Florida and such provision would be enforceable under the laws of the state in which the FBC Business is located, then such provision will be interpreted and construed under the laws of that state. Nothing in this Section is intended by the parties to subject this Franchise Agreement to any franchise or similar law, rule, or regulation of the State of Florida to which it would not otherwise be subject.

B. Except as otherwise provided in this Franchise Agreement, all claims or disputes between Franchisee and Franchisor or Franchisor's parents, subsidiaries or affiliates, arising out of, or in any way relating to, this Franchise Agreement, or any of their respective rights and obligations arising out of this Franchise Agreement, shall be submitted first to non-binding mediation before a hearing in binding arbitration or a trial court proceeding. Such mediation shall take place in the principal city nearest to Franchisor's principal place of business (currently Sarasota, Florida) under the auspices of the Judicial Arbitration and Mediation Service ("JAMS"), under JAMS's Commercial Mediation Rules then in effect. Franchisee may not commence any action against Franchisor or Franchisor's parents, subsidiaries or affiliates, regarding any such claim or dispute in arbitration or in any court unless mediation proceedings





have been terminated in accordance with Section XXIII.D. The parties shall each bear their own costs of mediation and shall share equally the filing fee imposed by JAMS and the mediator's fees. Franchisor reserves the right to specifically enforce its right to mediation.

C. Prior to mediation, and before commencing any legal action against Franchisor or Franchisor's parents, subsidiaries or affiliates regarding any such claim or dispute, Franchisee must submit a written notice to Franchisor, which specifies the precise nature and grounds of such claim or dispute.

D. The parties will first attempt to resolve any dispute relating to or arising out of this Franchise Agreement by mediation under this Section. Non-binding mediation hereunder will be concluded within 60 days of the issuance of the request for mediation, or such longer period as may be agreed upon by the parties in writing ("Mediation Termination Date"). Mediation proceedings shall be deemed terminated upon the earliest to occur of: (i) a written declaration of the mediator(s) that further mediation efforts are not worthwhile; (ii) a written agreement of the parties terminating the mediation; or (iii) the Mediation Termination Date. All aspects of the mediation process will be treated as confidential, will not be disclosed to others, and will not be offered or admissible in any other proceeding or legal action whatsoever, except to the extent necessary to enforce a written settlement agreement.

E. Despite the provisions of this Section, to protect against violations that would cause immediate loss and damages or irreparable harm, Franchisor, without first seeking mediation or arbitration, shall have the right to seek temporary, preliminary, and permanent injunctions and all other equitable relief from any state or federal court within the jurisdiction in which Franchisor has its principal place of business (currently Venice, Florida), or in any other state or federal district court with proper jurisdiction, with respect to certain disputes or claims, as follows:

1. any disputes or claims related to or based on Franchisor's protected intellectual property rights in the Proprietary Marks, the System, or in any of Franchisor's trade secrets or Confidential Information;

2. any claims seeking injunctive relief or specific performance under this Franchise Agreement (including any incidental damages); and

3. any claims concerning any of the restrictive covenants contained in this Franchise Agreement.

F. If a judicial action is expressly permitted by Section XXIII.E of this Franchise Agreement, any such action shall be brought in any state or federal court within the jurisdiction in which Franchisor has its principal place of business (currently Venice, Florida), or in any other state or federal district court with proper jurisdiction. The parties consent to the exercise of personal jurisdiction over them by these courts, and to the propriety of venue in these courts for the purpose of this Section, and the parties waive any objections that they would otherwise have in this regard.

G. Except as otherwise provided in this Section (including the mediation requirement), any controversy or dispute arising out of, or relating to the FBC Business or this Franchise Agreement including, but not limited to, any claim by Franchisee or any Persons in Privity with or claiming through, for or in the right of Franchisee, concerning the entry into, performance under, or termination of, this Franchise Agreement or any other agreement entered into by Franchisor, or its subsidiaries, parents or affiliates, and Franchisee; any claim against a past or present employee, officer, director, member, shareholder or agent of Franchisor; any claim of breach of this Franchise Agreement; and any claims





arising under State or Federal laws, shall be submitted to final and binding arbitration as the sole and exclusive remedy for any such controversy or dispute.

1. “Persons in Privity” shall be defined as any person(s) or entities claiming through, on behalf of, or in the right of Franchisee and shall include, without limitation, spouses and other family members, domestic partners, heirs, executors, representatives, successors and assigns. Subject to this Section, the right and duty of the parties to this Franchise Agreement to resolve any disputes by arbitration shall be governed exclusively by the Federal Arbitration Act, as amended, and arbitration shall take place according to the commercial arbitration rules (in effect as of the date the demand for arbitration is filed) of, and under the auspices of, the American Arbitration Association.

2. The arbitration, which shall be held before a single arbitrator, shall be conducted in the principal city nearest to where our principal place of business is located (currently Sarasota, Florida), or at such other location as shall be mutually agreed upon by the parties in writing. If the American Arbitration Association—or any successor—is no longer in existence at the time arbitration is commenced, Franchisor and Franchisee will agree on another arbitration organization to conduct the arbitration proceeding. However, arbitration will not be required to be used for any dispute which involves the type of disputes identified in Section XXIII.E, or for any request for temporary or preliminary injunctive relief expressly permitted under Section XXIII.K. The parties expressly consent to personal jurisdiction in the State of Florida and agree that such court(s) will have exclusive jurisdiction over any issues not subject to arbitration and any action to compel arbitration or to confirm, vacate, or enforce an arbitration award.

3. Except for claims excluded from mediation and arbitration under this Section, the arbitrator, and not any federal, state, or local court or agency, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability or formation of this Franchise Agreement including, but not limited to any claim that all or any part of this Franchise Agreement is void or voidable.

H. A single arbitrator shall be selected by the parties from a panel of neutral arbitrators who are familiar with legal disputes of the type at issue and who have franchise, business or contract experience provided by the American Arbitration Association and shall be chosen by the striking method. Except for matters for which judicial relief is authorized under Sections XXIII.E and XXIII.K, each party shall bear its own attorneys’ fees and other costs of arbitration; however, the arbitrator’s fees shall be divided equally between the parties. The arbitrator shall have no authority to amend or modify the terms of this Franchise Agreement. The award or decision by the arbitrator shall be final and binding on the parties and may be enforced by judgment or order of a court having subject matter jurisdiction. The parties consent to the exercise of personal jurisdiction over them by such court and to the propriety of venue of such court to carry out this provision and waive any objections they would otherwise have concerning such matters.

I. Parties to arbitration under this Franchise Agreement shall not include, by consolidation, joinder or in any other manner, any person other than Franchisee and any Persons in Privity with or claiming through, in the right of or for Franchisee or Franchisor, unless both parties consent in writing. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any arbitration hereunder, except to the extent such issue may have been determined in another proceeding between Franchisor and Franchisee or any Persons in Privity with or claiming through, in the right of or on behalf of Franchisee or Franchisor.

J. The parties agree that any arbitration arising out of a dispute relating to this Franchise Agreement is only a matter between Franchisor and Franchisee and no other franchisees or area



developers, if any. Franchisee agrees not to join or attempt to join other franchisees, developers, or other third parties in any arbitration proceeding and to not participate in any “class action” litigation or arbitration proposed or asserted by any other franchisee(s). Except as required by applicable law, including any required disclosure in the Franchise Disclosure Document, the entire arbitration proceeding and related documents shall be confidential.

K. Nothing in this Franchise Agreement will bar either party’s right to seek temporary or preliminary injunctive relief without the posting of any bond or security, except to the extent required by applicable law, from a court of competent jurisdiction in aid of arbitration, to preserve the status quo, or to prevent immediate and irreparable harm pending completion of mediation or arbitration. Either party also will be able to seek injunctive relief to prohibit any act or omission by the other party or its employees that constitutes a violation of any applicable law, is dishonest or misleading to Franchisee’s customers or to the public, or which may impair the goodwill associated with the Proprietary Marks. The prevailing party will be entitled to recover its costs and reasonable attorney fees incurred by it in obtaining such relief.

L. No right or remedy conferred upon or reserved to Franchisor or Franchisee hereby is intended to be, nor will be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each will be cumulative of every other right or remedy.

M. THE PARTIES TO THIS FRANCHISE AGREEMENT HEREBY WAIVE IN ANY ARBITRATION OR JUDICIAL ACTION, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM, EACH WILL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT.

N. The parties agree that the provisions of this Section shall apply during the Term of this Franchise Agreement and following the termination, expiration, or non-renewal of this Franchise Agreement.

#### XXIV. MISCELLANEOUS

##### A. *Additional Actions*

The parties agree to execute such other documents and perform such further acts as may be necessary or desirable to carry out the purposes of this Franchise Agreement.

##### B. *Heirs, Successors, and Assigns*

This Franchise Agreement shall be binding and inure to the benefit of the parties, their heirs, successors, and assigns.

##### C. *Entire Agreement*

This Franchise Agreement constitutes the entire agreement between the parties and may not be changed except by a written document signed by both parties. Any email correspondence or other form of informal electronic communication shall not be deemed to modify this Franchise Agreement unless such communication is signed by both parties and specifically states that it is intended to modify this Franchise Agreement. The attachment(s) are part of this Franchise Agreement, which, together with any amendments or addenda executed on or after the Effective Date, constitutes the entire understanding and agreement of the parties, and there are no other oral or written understandings or agreements between us



and you about the subject matter of this Franchise Agreement. All mandatory provisions of the Brand Standards Manual are part of this Franchise Agreement; however, notwithstanding the foregoing, we may modify the Brand Standards Manual at any time. No provision herein expressly identifying any term or breach of this Franchise Agreement as material shall be construed to imply that any other term or breach which is not so identified is not material.

Any representations not specifically contained in this Franchise Agreement made before entering into this Franchise Agreement do not survive after the signing of this Franchise Agreement. This provision is intended to define the nature and extent of the parties' mutual contractual intent, there being no mutual intent to enter into contract relations, whether by agreement or by implication, other than as set forth above. The parties acknowledge that these limitations are intended to achieve the highest possible degree of certainty in the definition of the contract being formed, in recognition of the fact that uncertainty creates economic risks for both parties which, if not addressed as provided in this Franchise Agreement, would affect the economic terms of this bargain. Nothing in this Franchise Agreement is intended to disclaim any of the representations we made in the Franchise Disclosure Document.

D. *Waiver of Rights*

Failure by either party to enforce any rights under this Franchise Agreement shall not be construed as the waiver of such rights. Any waiver, including waiver of default, in any one instance shall not constitute a continuing waiver or a waiver in any other instance. Any acceptance of money or other performance by Franchisor from Franchisee shall not constitute a waiver of any default, except as to the payment of the particular payment or performance so received.

E. *Validity of Parts*

If any provision of this Franchise Agreement is held invalid or unenforceable for any reason, the invalidity shall not affect the validity of the remaining provisions of this Franchise Agreement, and in lieu of each such invalid or unenforceable provision shall be substituted a valid provision which most closely approximates the intent and effect of the invalid provision.

F. *Headings*

The headings used herein are for purposes of convenience only and shall not be used in interpreting the provisions hereof. As used herein, the male gender shall include the female; the singular shall include the plural; and the plural shall include the singular.

G. *Counterparts and Execution*

This Franchise Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Franchise Agreement shall not be binding upon Franchisor unless and until it has been accepted and signed by an authorized officer of Franchisor.

H. *Third Parties*

The parties intend to confer no benefit or right on any person or entity not a party to this Franchise Agreement, and no third party shall have the right to claim the benefit of any provision hereof as a third-party beneficiary of any such provision.

I. *Attorney Fees*



Franchisee shall pay all costs and expenses (including reasonable fees of attorneys and other engaged professionals) incurred by Franchisor in successfully enforcing this Franchise Agreement, issuing notices of default under the terms of this Franchise Agreement, obtaining any remedy arising from the breach of this Franchise Agreement, addressing any breach or default of this Franchise Agreement by Franchisee. Franchisee shall pay all costs and expenses (including reasonable fees of attorneys and reasonable fees for administrative time) that Franchisor incurs in connection with any amendment to this Franchise Agreement that Franchisor agrees to enter into if such amendment is prepared at the request of Franchisee. The existence of any claims, demands or actions which Franchisee may have against Franchisor, whether arising from this Franchise Agreement or otherwise, shall not constitute a defense to Franchisor's enforcement of Franchisee's (or any equitable owners if Franchisee is a legal entity), representations, warranties, covenants, agreements or obligations herein. In any such action, Franchisor shall also be entitled to fees and costs for post-judgment motions, including post-judgment motions for fees and costs.

J. *Governing Law*

Except to the extent this Franchise Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C. § 1051 and the Sections following) the United States Arbitration Act, or other federal law, this Franchise Agreement shall be governed by and construed in accordance with the internal substantive laws of the State of Florida; provided, however, if this Franchise Agreement concerns an FBC Business located in a state other than Florida and the laws of that state require terms other than those or in addition to those contained herein, then this Franchise Agreement shall be deemed modified so as to comply with the appropriate laws of such state, but only to the extent necessary to prevent the invalidity of this Franchise Agreement or any provision hereof, the imposition of fines or penalties, or the creation of civil or criminal liability on account thereof. Any provision of this Franchise Agreement which may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of the prohibition or unenforceability, without invalidating the remaining provisions of this Franchise Agreement. Any prohibition against or unenforceability of any provision of this Franchise Agreement in any jurisdiction, including the state whose law governs this Franchise Agreement, shall not invalidate the provision or render it unenforceable in any other jurisdiction. To the extent permitted by applicable law, Franchisee waives any provision of law which renders any provision of this Franchise Agreement invalid or unenforceable in any respect.

K. *Exclusive Jurisdiction*

Subject to the terms of Section XXIII, which shall govern in the event of a conflict with this Section, each of the parties irrevocably and unconditionally: (a) agrees that any suit, action or legal proceeding arising out of or relating to this Franchise Agreement shall be brought exclusively in the federal or state courts in or nearest to Franchisor's principal place of business (currently Venice, Florida); (b) consents to the exclusive subject matter and personal jurisdiction of each such court in any suit, action or proceeding; (c) waives any objection which it may have to the laying of venue of any such suit, action or proceeding in any of such courts; and (d) agrees that service of any court paper may be effected on such party by mail, as provided in this Franchise Agreement, or in such other manner as may be provided under applicable laws or court rules of the State of Florida.

L. *Jury Trial Waiver*

Franchisor and Franchisee irrevocably waive trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either of them.



M. *Limitation of Actions*

Any and all claims and actions arising out of or relating to this Franchise Agreement, the relationship of Franchisee and the Franchisor or the Franchisee's operation of the FBC Business, brought by Franchisee shall be commenced within one year from the occurrence of the facts giving rise to any such claim or action or such claim or action shall be barred. Any and all claims and actions arising out of or relating to this Franchise Agreement brought by Franchisor shall be commenced within the applicable statute of limitations. In the event the foregoing limitations are found unreasonable or invalid, Franchisor and Franchisee agree that any claim not commenced within the period set forth is not material and/or substantial.

N. *Waiver of Punitive Damages*

The Franchisor and Franchisee (and its Owners and guarantors, if applicable) hereby waive, to the fullest extent permitted by law, any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of any dispute between them, each shall be limited to the recovery of any actual damages sustained by such party.

O. *Covenant of Good Faith*

If applicable law implies a covenant of good faith and fair dealing in this Franchise Agreement, the parties agree that the covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Franchise Agreement. Additionally, if applicable law shall imply the covenant, Franchisee agrees that: (i) this Franchise Agreement (and the relationship of the parties that is inherent in this Franchise Agreement) grants Franchisor the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with Franchisor's explicit rights and obligations under this Franchise Agreement that may affect favorably or adversely Franchisee's interests; (ii) Franchisor will use its judgment in exercising the discretion based on Franchisor's assessment of its own interests and balancing those interests against the interests of Franchisor's franchisees generally (including Franchisor and Franchisor's affiliates, subsidiaries and parents if applicable), and specifically without considering Franchisee's individual interests or the individual interests of any other particular franchisee; (iii) Franchisor will have no liability to Franchisee for the exercise of Franchisor's discretion in this manner, so long as the discretion is not exercised in bad faith; and (iv) in the absence of bad faith, no trier of fact in any arbitration or litigation shall substitute its judgment for Franchisor's judgment so exercised.

P. *Force Majeure*

No party shall be liable for any delay in the fulfillment of or failure to fulfill its obligations in whole or in part (other than the payment of money as may be owed by a party) under this Franchise Agreement where the delay or failure is solely due to Force Majeure. In the event of Force Majeure, the parties' obligations shall be extended or relieved only to the extent the parties are respectively necessarily prevented or delayed in such performance during the period of such Force Majeure. As used in this Franchise Agreement, the term "Force Majeure" shall mean any act of God, strike, lock-out or other industrial disturbance, war (declared or undeclared), terrorist event, riot, epidemic, fire or other catastrophe, act of any government and any other similar cause which is beyond the party's control and cannot be overcome by use of normal commercial measures. Force Majeure should be construed narrowly and does not include general economic, market or societal conditions, or any changes thereto, even those that are the direct or indirect result of the Force Majeure event. For example, in the event of a temporary government-imposed closure of Franchisee's FBC Business due to a Force Majeure event, Franchisee may only be relieved of its obligations as necessary to comply with the government mandate or order, but not due to the economic or market conditions that result from that action. The party whose



performance is affected by an event of Force Majeure shall give prompt notice of such Force Majeure event to the other party, which in no case shall be more than 48 hours after the event, setting forth the nature thereof and an estimate as to its duration, and the affected party shall furnish the other party with periodic reports regarding the progress of the Force Majeure event. Each party must use its best efforts to mitigate the effect of the event of Force Majeure upon its performance of the Franchise Agreement and to fulfill its obligations under the Franchise Agreement. Upon completion of the event of Force Majeure, the party affected must as soon as reasonably practicable recommence the performance of its obligations under this Franchise Agreement. However, in the event the Force Majeure continues for a period of one year or more, then the unaffected party may, at its option, terminate this Franchise Agreement by 30 days' written notice to the party asserting such Force Majeure. An event of Force Majeure does not relieve a party from liability for an obligation which arose before the occurrence of the Force Majeure event, nor does that event affect any obligation to pay money owed under this Franchise Agreement, to indemnify Franchisor or to comply with requirements under this Franchise Agreement governing Confidential Information or governing use of the Proprietary Marks, whether such obligation arose before or after the Force Majeure event. An event of Force Majeure shall not affect Franchisee's obligations to comply with any restrictive covenants in this Franchise Agreement during or after the Force Majeure event.

IN WITNESS WHEREOF, Franchisee and Franchisor have caused this Franchise Agreement to be executed by their duly authorized representatives as of the date written below.

**FREEDOM FRANCHISE SYSTEMS, LLC**

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

**FRANCHISEE:**

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



**ATTACHMENT “A”**  
**TO THE FREEDOM BOAT CLUB FRANCHISE AGREEMENT**  
**FRANCHISE DATA SHEET**

1. **Effective Date.** The “Effective Date” set forth in the introductory Paragraph of the Franchise Agreement is: \_\_\_\_\_, 202\_.

2. **Franchisee.** The Franchisee set forth in the introductory Paragraph of the Franchise Agreement is: \_\_\_\_\_.

3. **Notice Address.** The address for notices to Franchisee under Section XXII of the Franchise Agreement is: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. **FBC Location.** The FBC Location is: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. **Protected Territory.** Franchisee’s Protected Territory is: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. **Development Addendum** (check one).

[ ] Franchisee and Franchisor have agreed to enter into a Development Addendum to the Franchise Agreement which shall modify the Protected Territory as set forth therein.

[ ] Franchisee and Franchisor are not entering into a Development Addendum.

*(Signatures to follow on next page)*





**FRANCHISOR:**

FREEDOM FRANCHISE SYSTEMS, LLC

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

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

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

**FRANCHISEE:**

\_\_\_\_\_

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

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

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



**ATTACHMENT "A-1"**  
**TO THE FREEDOM BOAT CLUB FRANCHISE AGREEMENT**

**FRANCHISE AGREEMENT**  
**LOCATION ACCEPTANCE FORM**

Freedom Franchise Systems, LLC, a Florida limited liability company ("Franchisor") and \_\_\_\_\_ ("Franchisee") pursuant to the Franchise Agreement ("Franchise Agreement") dated \_\_\_\_\_, \_\_\_\_\_, agree as follows:

1. Franchisor has accepted the site for the FBC Location and any applicable Satellite Location(s) on the basis that the site satisfies the demographics and location requirements minimally necessary and meets Franchisor's minimum current standards and specifications for the design, layout and signage for an FBC Location. Franchisor's acceptance of the site does not constitute a representation, warranty, or assurance regarding sales, profitability, performance, or the suitability of the site for Franchisee's business purposes. The FBC Location as referenced in the Franchise Agreement shall be as follows:

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**FRANCHISOR:**

FREEDOM FRANCHISE SYSTEMS, LLC

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

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

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

**FRANCHISEE:**

\_\_\_\_\_

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

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

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



**ATTACHMENT “B”  
TO THE FREEDOM BOAT CLUB FRANCHISE AGREEMENT  
COLLATERAL ASSIGNMENT AND TRANSITION AGREEMENT**

This Collateral Assignment and Transition Agreement (this “Agreement”) is entered into as of \_\_\_\_\_, 20\_\_ (the “Effective Date”), by and between Freedom Franchise Systems, LLC, a Florida limited liability company (“Franchisor”), and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”).

**1. Background.**

Franchisor and Franchisee are entering into that certain Freedom Boat Club Franchise Agreement dated as of the Effective Date (the “Franchise Agreement”), pursuant to which Franchisee is authorized to operate a Freedom Boat Club business (the “FBC Business”). In operating the FBC Business, Franchisee enters into memberships and Membership Agreements with members and prospective members of the FBC Business. Section VI.V of the Franchise Agreement requires Franchisee to use Membership Agreements based on Franchisor’s then-current standard form, subject to legally required revisions approved by Franchisor, and Section XX.A of the Franchise Agreement provides Franchisor a post-term option to assume Franchisee’s rights and interest in and to Membership Agreements by written notice within 30 days after termination, expiration, or non-renewal.

Franchisor requires this Agreement to preserve continuity and transition options, protect the Proprietary Marks and the System, facilitate an orderly transition in the event of expiration, termination, non-renewal, abandonment, insolvency, cessation of operations, or exercise of Step-In Rights, and permit Franchisor to designate a successor operator if Franchisor elects to do so. The parties intend this Agreement to operate as a present collateral assignment and security device, a transition-rights agreement, and a supplement to the Franchise Agreement, including Sections XV.K, XX, and XXI thereof, and not as a present absolute assignment of Franchisee’s operating obligations under Membership Agreements.

For good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

**2. Definitions.**

Capitalized terms used in this Agreement and not otherwise defined in this Agreement have the meanings given to them in the Franchise Agreement. For purposes of this Agreement:

2.1 Assigned Interests. “Assigned Interests” means all of Franchisee’s right, title, and interest in and to the Membership Agreements, including all rights to payment, receivables, deposits, claims, refunds, credits, causes of action, and other rights arising from or relating to the Membership Agreements, and all books, files, records, payment histories, communication histories, waivers, incident files, complaint files, and other information relating to the Membership Agreements, in each case to the extent Franchisee has rights therein and subject to applicable law; provided, however, that Assigned Interests do not include any ownership interest in Customer Data to the extent the Franchise Agreement provides that Customer Data is owned exclusively by Franchisor.

2.2 Assumption Agreement. “Assumption Agreement” means either:



(i) a separate written agreement signed by the applicable Successor Operator expressly assuming specified obligations under specified Membership Agreements from and after a stated effective date; or

(ii) solely with respect to Franchisor, a signed written notice of election delivered by Franchisor pursuant to this Agreement and, where applicable, Section XX.A of the Franchise Agreement, but only to the extent that such notice expressly states the specific Membership Agreements and obligations Franchisor is assuming.

2.3 Customer Data. “Customer Data” has the meaning given in the Franchise Agreement. For the avoidance of doubt, the Franchise Agreement provides that Customer Data collected, created, provided, or otherwise developed in connection with the FBC Business is owned exclusively by Franchisor.

2.4 Membership Agreements. “Membership Agreements” means all memberships, membership agreements, membership applications, renewals, amendments, waivers, autopay authorizations, ancillary service agreements, acknowledgments, disclosures, consents, freezes, reactivations, and related customer records used in or relating to the FBC Business.

2.5 Successor Operator. “Successor Operator” means Franchisor, any affiliate of Franchisor, another franchisee, or any third party designated by Franchisor to acquire, service, transition, replace, or wind down some or all of the Membership Agreements or related operations.

2.6 Transition Event. “Transition Event” means the occurrence of any of the following:

(i) expiration of the Franchise Agreement without renewal;

(ii) termination or non-renewal of the Franchise Agreement;

(iii) abandonment of the FBC Business by Franchisee;

(iv) cessation or suspension of material operations for the period specified in the Franchise Agreement or, if not specified there, for five consecutive days during which Franchisee is required to operate, except as expressly permitted by Franchisor or excused by Force Majeure under the Franchise Agreement;

(v) Franchisee’s insolvency, assignment for the benefit of creditors, bankruptcy, receivership, or similar event;

(vi) Franchisor’s good-faith determination that immediate transition action is reasonably necessary to protect members, the Proprietary Marks, the System, or legal compliance because Franchisee is unable or unwilling to continue compliant operations;

(vii) Franchisor’s exercise of its Step-In Rights under Section XV.K of the Franchise Agreement; or

(viii) any other event designated in the Franchise Agreement as a basis for termination, post-termination action, transition, or analogous protective action.

2.7 Transition Action. “Transition Action” means any action taken by or on behalf of Franchisor under this Agreement, including investigating a Transition Event, obtaining information,



communicating with members or prospective members, giving instructions concerning billing or shutdown, exercising rights under Section XX.A of the Franchise Agreement, designating a Successor Operator, facilitating a transfer, or directing an orderly wind-down.

### **3. Collateral Assignment.**

3.1 Grant of Collateral Assignment. As continuing collateral security for Franchisee's full and timely performance of its obligations under the Franchise Agreement and this Agreement, and in addition to and not in limitation of the security interest granted under Section XXI of the Franchise Agreement, Franchisee hereby collaterally assigns to Franchisor, and grants Franchisor a continuing security interest in, the Assigned Interests.

3.2 Security and Transition Device. This Agreement is a collateral assignment, security, and transition-rights device only. It is not intended to constitute a present absolute assignment to Franchisor of Franchisee's performance obligations under any Membership Agreement, and it does not, by itself, delegate to Franchisor any duty owed by Franchisee to any member or prospective member.

3.3 Continuing Responsibility of Franchisee. Unless and until an Assumption Agreement becomes effective with respect to a particular Membership Agreement, Franchisee remains the sole party responsible for performing all obligations under that Membership Agreement and for all liabilities arising out of or relating to that Membership Agreement.

3.4 Further Assurances. Franchisee shall execute and deliver such further instruments and take such further actions as Franchisor reasonably requests to evidence, protect, perfect, or enforce Franchisor's rights under this Agreement and Section XXI of the Franchise Agreement, including financing statements, amendments, notices, and acknowledgments.

### **4. Franchisor's Transition Rights.**

4.1 Exercise of Rights Upon Transition Event. Upon or at any time after a Transition Event, Franchisor may, in its sole discretion, by written notice to Franchisee, exercise any one or more of the following rights:

(i) require Franchisee to cease entering into new Membership Agreements and to cease renewing, extending, or modifying existing Membership Agreements;

(ii) require Franchisee immediately to deliver to Franchisor complete and current copies of all Membership Agreements and all related books, records, files, reports, and information, including Customer Data and other information Franchisor is entitled to receive or access under the Franchise Agreement;

(iii) communicate with members and prospective members regarding the status of the FBC Business, transition options, billing status, closure procedures, and any designated Successor Operator;

(iv) market, solicit, negotiate for, and designate a Successor Operator;

(v) direct Franchisee to assign some or all Membership Agreements to a designated Successor Operator, subject to applicable law and the terms of the applicable Membership Agreements;



(vi) elect to accept, to the extent permitted by applicable law and the terms of the applicable Membership Agreements, an assignment of some or all Membership Agreements to Franchisor itself by written notice under this Agreement and, in the case of termination, expiration, or non-renewal, by written notice of election consistent with Section XX.A of the Franchise Agreement; provided that no assumption of obligations shall occur except to the extent expressly stated in such written notice or other Assumption Agreement; and/or

(vii) direct an orderly wind-down of the FBC Business and affected Membership Agreements in accordance with Section 7.

4.2 No Obligation. Franchisor has the right, but not the obligation, to exercise any Transition Action, designate any Successor Operator, accept any assignment, continue operations, exercise Step-In Rights, or service any member.

4.3 Partial Exercise. Franchisor may exercise its rights under this Agreement as to all, some, or none of the Membership Agreements, including by class of membership, geography, marina, vessel category, revenue profile, operational feasibility, or other criteria determined by Franchisor in its discretion.

4.4 Replacement Offers. Franchisor may designate a Successor Operator to offer replacement memberships or substitute services to affected members without thereby assuming Franchisee's legacy Membership Agreements unless and until an Assumption Agreement becomes effective.

4.5 Relation to Franchise Agreement Step-In Rights. The rights granted in this Agreement are in addition to, and not in limitation of, Franchisor's Step-In Rights under Section XV.K of the Franchise Agreement. Exercise of either this Agreement or Section XV.K shall not, by itself, relieve Franchisee of liability for the FBC Business or the Membership Agreements.

## 5. No Assumption Absent Express Written Assumption.

5.1 No Assumption by Conduct. Notwithstanding anything to the contrary in this Agreement, the Franchise Agreement, any Membership Agreement, or any conduct by Franchisor, none of the following shall constitute an assumption by Franchisor of any Membership Agreement or any liability to any member or prospective member unless Franchisor executes an Assumption Agreement:

(i) the existence of this Agreement or the Franchise Agreement;

(ii) the collateral assignment or security interest created hereby or by Section XXI of the Franchise Agreement;

(iii) the occurrence of a Transition Event;

(iv) Franchisor's inspection, oversight, operational review, exercise of Step-In Rights, transition planning, communications, brand protection activities, temporary stabilization activities, or shutdown directions;

(v) Franchisor's receipt, access, possession, review, use, or transfer of records, Customer Data, payments, reports, credentials, or other information;



(vi) Franchisor's designation of a Successor Operator;

(vii) Franchisor's facilitation of a transfer, replacement membership program, member communication, or wind-down;

(viii) Franchisor's delivery of a notice that does not expressly state that Franchisor is assuming specified obligations under specified Membership Agreements.

5.2 Assumption Only to Stated Extent. If Franchisor or a Successor Operator enters into an Assumption Agreement, the assumption shall be limited to the specific Membership Agreements and obligations expressly identified therein, effective only from and after the effective date stated therein, and only to the extent expressly assumed.

5.3 No Liability for Prior or Excluded Obligations. Neither Franchisor nor any Successor Operator shall have any liability for any refund, deposit, prepaid fee, credit, cancellation, chargeback, consumer claim, tax, breach, or other member-related obligation or liability relating to any Membership Agreement that accrued or arose before the effective date of the applicable Assumption Agreement, unless expressly assumed in writing.

5.4 No Waiver of Independent Contractor Relationship. Nothing in this Agreement shall be construed to alter the independent contractor relationship set forth in Section XVIII of the Franchise Agreement or to make Franchisor the seller, operator, service provider, contracting party, guarantor, partner, joint venturer, employer, or agent of Franchisee with respect to any Membership Agreement absent an express written assumption.

## **6. Franchisee's Continuing Obligations.**

6.1 Sole Responsibility Absent Assumption. Unless and until an Assumption Agreement becomes effective as to a particular Membership Agreement, Franchisee shall remain solely responsible for all obligations arising under or relating to such Membership Agreement, including obligations for refunds, deposits, prepaid fees, credits, chargebacks, complaints, disputes, cancellations, and claims.

6.2 Performance and Preservation. Before and after any Transition Event, until Franchisor instructs otherwise in writing, Franchisee shall:

(i) perform all obligations under the Membership Agreements in the ordinary course and in compliance with the Franchise Agreement and applicable law;

(ii) preserve all Membership Agreements and related books, records, reports, and supporting materials in accordance with the Franchise Agreement, including Sections XIV, XVI, and XX;

(iii) maintain complete and current records concerning member billing, waivers, incidents, complaints, cancellations, and refunds;

(iv) not amend, terminate, waive, settle, or transfer any Membership Agreement or material member claim after a Transition Event without Franchisor's prior written consent; and





(v) promptly provide Franchisor copies of any material notices, defaults, claims, chargebacks, Security Incidents, governmental complaints, or other matters relating to Membership Agreements or the FBC Business.

6.3 No Further Encumbrance. Franchisee shall not pledge, assign, transfer, or grant any lien or security interest in the Assigned Interests except as expressly permitted by the Franchise Agreement or approved in writing by Franchisor.

## **7. Wind-Down if No Assumption or No Successor Operator.**

7.1 Directed Wind-Down. If Franchisor elects not to assume some or all affected Membership Agreements, does not designate a Successor Operator for some or all affected Membership Agreements, or determines that a proposed transition cannot lawfully or practicably be completed, Franchisee shall, at Franchisor's direction, conduct an orderly wind-down of the affected Membership Agreements and, if applicable, the affected portion of the FBC Business.

7.2 Wind-Down Duties. Any wind-down under this Section shall be performed by Franchisee, at Franchisee's sole cost and expense, in accordance with applicable law, the Brand Standards Manual, this Agreement, and the Franchise Agreement, including its provisions regarding Memberships and Membership Agreements, Customer Data, post-termination obligations, and de-identification. Unless Franchisor expressly authorizes otherwise in writing, no such wind-down shall permit continued use of the Proprietary Marks or continued operation as an FBC Business beyond what is strictly necessary to carry out the wind-down. Franchisee shall also take any other actions Franchisor reasonably directs to carry out the wind-down.

7.3 No Franchisor Duty to Fund Wind-Down. Franchisor shall have no obligation to fund any refunds, credits, chargebacks, member claims, or other wind-down costs, and no exercise of rights by Franchisor under this Agreement shall constitute an assumption by Franchisor of any obligations or liabilities under any Membership Agreement except to the extent expressly set forth in (i) a separate written assumption agreement executed by Franchisor or the applicable designee or (ii) solely with respect to Franchisor, a signed written notice that satisfies the definition of Assumption Agreement. Unless and until expressly assumed in writing, Franchisee remains solely responsible for all refunds, deposits, prepaid fees, credits, chargebacks, cancellations, member claims, and similar obligations arising out of or relating to the Membership Agreements.

## **8. Membership Agreement Requirements.**

8.1 Approved Forms. Franchisee shall use only Membership Agreement forms, disclosures, waivers, consents, and related customer-facing documents approved by Franchisor and required by Section VI.V of the Franchise Agreement.

8.2 Required Customer Terms. Without limiting Section VI.V of the Franchise Agreement, Franchisee shall ensure that each Membership Agreement includes the provisions required by the Franchise Agreement and, to the extent permitted by applicable law and approved by Franchisor, provisions stating substantially that:

(i) the Membership Agreement is solely between the member and Franchisee;

(ii) Franchisor is not a party to the Membership Agreement and does not guarantee Franchisee's performance;



(iii) the Membership Agreement may be assigned or transferred, to the extent permitted by law, to Franchisor, its affiliate, or a designated Successor Operator;

(iv) no assignee shall have any duty to perform unless it expressly assumes the Membership Agreement in writing; and

(v) absent such written assumption, the member's claims remain against Franchisee.

8.3 Consents and Processor Cooperation. Franchisee shall obtain and maintain all consents, acknowledgments, and authorizations reasonably necessary to effectuate this Agreement and any future transfer or transition of Membership Agreements, payment processing arrangements, records, and related information, subject to applicable law and the Franchise Agreement's requirements concerning Payment Vendors and Customer Data.

## 9. Books, Records, Data, and Privacy Cooperation.

9.1 Delivery of Records and Data. Upon request by Franchisor after a Transition Event, Franchisee shall immediately deliver to Franchisor, in the format requested by Franchisor to the extent reasonably available, complete and current copies of:

(i) all Membership Agreements;

(ii) all member lists, contact information, and communication histories;

(iii) all billing records, payment histories, autopay authorizations, and processor reports;

(iv) all waivers, claims, incident reports, cancellations, refund files, and complaint files;

(v) all marina, vessel, usage, access, and operational records relating to member use; and

(vi) all Customer Data and other data, records, and reports Franchisor is entitled to own, access, or receive under the Franchise Agreement.

9.2 Customer Data and Privacy. The parties acknowledge that Customer Data is owned exclusively by Franchisor under the Franchise Agreement, and Franchisee's rights in Customer Data are limited to the license granted by the Franchise Agreement. Franchisee authorizes Franchisor, subject to applicable law, to access, use, disclose, and transfer Customer Data and other transferred information as reasonably necessary to administer this Agreement, communicate with members, protect the Proprietary Marks and the System, investigate a Transition Event, designate or implement a Successor Operator, or direct an orderly wind-down.

9.3 Security and Compliance. Franchisee shall cooperate with Franchisor in connection with privacy, cybersecurity, and Security Incident matters relating to the FBC Business and any transition under this Agreement, consistent with Sections VI.O, VI.Q, VI.R, and XVI of the Franchise Agreement.

9.4 No Assumption by Access or Use. Franchisor's access to, possession of, review of, use of, or transfer of records, Customer Data, payments, or other information shall not, by itself, constitute an assumption of any Membership Agreement or related liability.



## **10. Representations, Warranties, and Covenants of Franchisee.**

Franchisee represents, warrants, and covenants that:

- (i) Franchisee has full power and authority to enter into and perform this Agreement;
- (ii) this Agreement constitutes a legal, valid, and binding obligation of Franchisee, enforceable against Franchisee in accordance with its terms, subject to applicable bankruptcy and equitable principles;
- (iii) Franchisee's execution and performance of this Agreement do not violate any other agreement binding on Franchisee;
- (iv) Franchisee has obtained, or will obtain when required, all consents and approvals necessary to grant the collateral assignment and transition rights contemplated by this Agreement;
- (v) Franchisee owns or controls the Assigned Interests free and clear of any lien, claim, or encumbrance other than those approved by Franchisor in writing or permitted under the Franchise Agreement;
- (vi) Franchisee will not include in any Membership Agreement any provision that prohibits, restricts, or conditions the transfer, assignment, transition, or wind-down rights contemplated by this Agreement, except as approved by Franchisor in writing;
- (vii) Franchisee shall comply with all applicable laws, the Brand Standards Manual, and the Franchise Agreement in connection with the sale, renewal, servicing, cancellation, and refund of memberships; and
- (viii) Franchisee shall maintain books, records, Customer Data practices, and reporting systems in the manner required by the Franchise Agreement, including Sections VI, XIV, and XVI.

## **11. Limited Power of Attorney.**

11.1 Grant. Effective upon the occurrence of a Transition Event, Franchisee irrevocably appoints Franchisor as Franchisee's limited attorney-in-fact, coupled with an interest, solely for the purpose of carrying out this Agreement and only to the extent Franchisee fails or refuses promptly to do so, including to:

- (i) obtain copies of Membership Agreements and related records or data;
- (ii) send or approve notices to members, prospective members, processors, and other relevant third parties;
- (iii) instruct Payment Vendors, software providers, CRM providers, and similar service providers concerning billing suspension, record production, exports, or transition administration, to the extent permitted by applicable contract and law; and
- (iv) execute on Franchisee's behalf assignments, notices, acknowledgments, consents, or similar ministerial documents reasonably necessary to transfer Assigned Interests to a designated Successor Operator, to the extent permitted by law.



11.2 Supplemental Nature. This limited power of attorney is in addition to, and not in limitation of, any attorney-in-fact appointment or authorization granted by Franchisee under the Franchise Agreement, including Sections I.B, XX.A, and XXI thereof.

11.3 No Assumption. The foregoing power does not obligate Franchisor to take any action and does not constitute or evidence any assumption by Franchisor of any Membership Agreement or related liability.

## **12. Indemnification.**

12.1 Franchisee Indemnity. Franchisee shall indemnify, defend, and hold harmless Franchisor, its parents, subsidiaries, and affiliates, and their respective shareholders, directors, officers, employees, agents, successors, and assignees (collectively, the “Indemnified Parties”) from and against any and all claims, demands, actions, proceedings, liabilities, damages, losses, fines, penalties, costs, and expenses, including reasonable attorneys’ fees, arising out of or relating to:

(i) any Membership Agreement entered into, sold, renewed, serviced, administered, suspended, cancelled, or terminated by Franchisee;

(ii) Franchisee’s operation, shutdown, closure, or wind-down of the FBC Business;

(iii) any refund, credit, deposit, cancellation, chargeback, consumer complaint, governmental inquiry, or processor dispute relating to the Membership Agreements or the FBC Business;

(iv) any breach by Franchisee of this Agreement or the Franchise Agreement;

(v) any act or omission of Franchisee occurring before the effective date of any Assumption Agreement; and

(vi) any claim that an Indemnified Party became liable for member obligations solely by reason of exercising any Transition Action, exercising Step-In Rights, receiving records or Customer Data, or facilitating a transition or wind-down.

12.2 Limitation. Notwithstanding anything to the contrary in this Agreement, Franchisee shall not be required to indemnify any Indemnified Party for claims arising from such Indemnified Party’s gross negligence, willful misconduct, bad faith, or breach of the Franchise Agreement.

12.3 Relation to Franchise Agreement. The indemnity obligations in this Agreement are supplemental to, and not in limitation of, Franchisee’s indemnification obligations under Section X of the Franchise Agreement.

12.4 Survival. The obligations in this Section shall survive expiration, termination, non-renewal, transfer, and assignment of the Franchise Agreement and this Agreement.

## **13. Remedies.**

13.1 Cumulative Remedies. Franchisor’s rights and remedies under this Agreement are cumulative and in addition to all rights and remedies under the Franchise Agreement, at law, in equity, or otherwise.



13.2 Equitable Relief. Franchisee acknowledges that a breach of this Agreement may cause irreparable harm for which monetary damages may be inadequate. Franchisor shall be entitled to seek the temporary, preliminary, and permanent injunctive relief, specific performance, and other equitable relief permitted by the Franchise Agreement, including Section XXIII thereof.

**14. Relationship of the Parties; No Third-Party Beneficiaries.**

14.1 No Agency or Seller Status. Nothing in this Agreement shall be construed to create any fiduciary duty owed by Franchisor to Franchisee or to any member, or to make Franchisor the seller, operator, service provider, contracting party, guarantor, partner, joint venturer, employer, or agent of Franchisee with respect to any Membership Agreement.

14.2 No Third-Party Beneficiaries. This Agreement is solely for the benefit of Franchisor and Franchisee. No member, prospective member, processor, vendor, or other third party is an intended beneficiary of this Agreement.

**15. Term; Survival.**

This Agreement shall commence on the Effective Date and continue until all obligations of Franchisee under the Franchise Agreement and this Agreement have been fully satisfied; provided, however, Franchisor's transition rights, security rights, record rights, Customer Data rights, indemnification rights, no-assumption provisions, and any provisions which by their nature are intended to survive shall survive expiration, termination, non-renewal, transfer, or assignment of the Franchise Agreement.

**16. Governing Law; Dispute Resolution; Notices.**

16.1 Governing Law and Dispute Resolution. This Agreement shall be governed by and construed in accordance with the Franchise Agreement's governing law and dispute resolution provisions, including Sections XXIII and XXIV thereof.

16.2 Notices. All notices under this Agreement shall be given in the manner specified in Section XXII of the Franchise Agreement.

**17. Miscellaneous.**

17.1 Incorporated with Franchise Agreement. This Agreement is attached to and forms part of the Franchise Agreement.

17.2 Construction with Franchise Agreement. This Agreement shall be construed to give effect to both this Agreement and the Franchise Agreement wherever possible. This Agreement controls with respect to the mechanics of collateral assignment, transition rights, and the no-assumption provisions, while Sections XV.K, XX, and XXI of the Franchise Agreement remain fully effective and supplemental hereto.

17.3 Amendments. No amendment to this Agreement shall be effective unless in writing and signed by Franchisor and Franchisee.



17.4 Assignment by Franchisor. Franchisor may assign this Agreement and any rights hereunder to any affiliate, successor, purchaser of substantially all system assets, or designated financing or transition vehicle, consistent with the Franchise Agreement.

17.5 Counterparts; Electronic Signatures. This Agreement may be executed in counterparts and by electronic signature, each of which shall be deemed an original and all of which together shall constitute one instrument.

IN WITNESS WHEREOF, the parties have executed this Collateral Assignment and Transition Agreement as of the Effective Date.

**FREEDOM FRANCHISE SYSTEMS, LLC**

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

**FRANCHISEE:**

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



**ATTACHMENT "C"**  
**TO THE FREEDOM BOAT CLUB FRANCHISE AGREEMENT**

**BUSINESS ENTITY INFORMATION**

This form must be completed if Franchisee has multiple owners or if Franchisee or Franchisee's FBC Business is owned by a business organization (a corporation, partnership, limited liability company or similar entity). Franchisor is relying on the truth and accuracy of the information set forth below in awarding the franchise to Franchisee:

1. Form of Owner. Franchisee is a (check one):

- (a) General Partnership ☐
- (b) Corporation ☐
- (c) Limited Partnership ☐
- (d) Limited Liability Company ☐
- (e) Other ☐  
Specify: \_\_\_\_\_

2. Business Entity. Franchisee was incorporated or formed on \_\_\_\_\_, 202\_\_\_\_, under the laws of the State of \_\_\_\_\_. Franchisee has not conducted business under any name other than Franchisee's business entity name and \_\_\_\_\_. The following is a list of all persons who have management rights and powers (e.g., officers, managers, partners, etc.) along with the title for each person:

| <u>Name of Person</u> | <u>Position(s) Held</u> |
|-----------------------|-------------------------|
| _____                 | _____                   |
| _____                 | _____                   |
| _____                 | _____                   |
| _____                 | _____                   |
| _____                 | _____                   |

3. Owners. The following list includes the full name and mailing address of each person or entity who is one of Franchisee's members, stockholders, partners and direct or indirect owners and fully describes the nature of each party's interest. (Attach additional sheets if necessary.)

| <u>Owner's Name and Address</u> | <u>Description of Interest and Percentage Owned</u> |
|---------------------------------|-----------------------------------------------------|
| _____                           | _____                                               |
| _____                           | _____                                               |
| _____                           | _____                                               |

\*If any members, stockholders, or partners are entities, please list the entities and owners of such entities up through the individuals.

4. Governing Documents. Attached are copies of the documents and contracts governing the ownership, management and other significant aspects of the business organization such as Articles of





Incorporation or Organization, partnership or shareholder agreements, Bylaws, Operating Agreements or similar agreements.

5. Identification of Operating Principal. Franchisee's Operating Principal as of the Effective Date is:\_\_\_\_\_.

This form is current and complete as of \_\_\_\_\_, 202\_\_\_\_.

**OWNER:**

INDIVIDUALS:

Sign: \_\_\_\_\_

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

Sign: \_\_\_\_\_

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

CORPORATION, LIMITED LIABILITY  
COMPANY, PARTNERSHIP OR OTHER  
BUSINESS ENTITY:

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

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

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



**ATTACHMENT “D”  
TO THE FREEDOM BOAT CLUB FRANCHISE AGREEMENT**

**OWNERS AGREEMENT**

As a condition to the execution by Freedom Franchise Systems, LLC (“we” or “us”), of a Franchise Agreement with \_\_\_\_\_ (“Franchisee”), each of the undersigned individuals (“Owners”), who constitute all of the owners of a direct or indirect beneficial interest in Franchisee, as well as their respective spouses, covenant and agree to be bound by this Owners Agreement (“Owners Agreement”).

**1. Acknowledgments.**

1.1 Franchise Agreement. Franchisee entered into a franchise agreement with us effective as of \_\_\_\_\_, 20\_\_\_\_ (“Franchise Agreement”). Capitalized words not defined in this Owners Agreement will have the same meanings ascribed to them in the Franchise Agreement.

1.2 Role of Owners. Owners are the beneficial owners or spouses of the beneficial owners of all of the direct and indirect equity interest, membership interest, or other equity controlling interest in Franchisee and acknowledge there are benefits received and to be received by each Owner, jointly and severally, and for themselves, their heirs, legal representatives and assigns. Franchisee’s obligations under the Franchise Agreement, including the confidentiality and non-compete obligations, would be of little value to us if Franchisee’s direct and indirect owners were not bound by the same requirements. Under the provisions of the Franchise Agreement, Owners are required to enter into this Owners Agreement as a condition to our entering into the Franchise Agreement with Franchisee. Owners will be jointly and severally liable for any breach of this Owners Agreement.

**2. Non-Disclosure and Protection of Confidential Information.**

2.1 Confidentiality. Under the Franchise Agreement, we will provide Franchisee with specialized training, proprietary trade secrets, and other Confidential Information relating to the establishment and operation of a franchised business. The provisions of the Franchise Agreement governing Franchisee’s non-disclosure obligations relating to our Confidential Information are hereby incorporated into this Owners Agreement by reference, and Owners agree to comply with each obligation as though fully set forth in this Owners Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Owners Agreement as we may seek against Franchisee under the Franchise Agreement. Any and all information, knowledge, know-how, techniques, and other data, which we designate as confidential, will also be deemed Confidential Information for purposes of this Owners Agreement.

2.2 Immediate Family Members. Owners acknowledge that they could circumvent the purpose of Section 2.1 by disclosing Confidential Information to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). Owners also acknowledge that it would be difficult for us to prove whether Owners disclosed the Confidential Information to family members. Therefore, each Owner agrees that he or she will be presumed to have violated the terms of Section 2.1 if any member of his or her immediate family uses or discloses the Confidential Information or engages in any activities that would constitute a violation of the covenants listed in Section 3, below, if performed by Owners. However, Owners may rebut this presumption by furnishing evidence conclusively showing that Owners did not disclose the Confidential Information to the family member.



### **3. Covenant Not to Compete.**

3.1 Non-Competition During and After the Term of the Franchise Agreement. Owners acknowledge that as a participant in our system, they will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques which we have developed. The provisions of the Franchise Agreement governing Franchisee's restrictions on competition both during the term of the Franchise Agreement and following the expiration or termination of the Franchise Agreement are hereby incorporated into this Owners Agreement by reference, and Owners agree to comply with and perform each such covenant as though fully set forth in this Owners Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Owners Agreement as we may seek against Franchisee under the Franchise Agreement.

3.2 Construction of Covenants. The parties agree that each covenant related to non-competition will be construed as independent of any other covenant or provision of this Owners Agreement. If all or any portion of a covenant referenced in this Section 3 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a final decision to which we are a party, Owners agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 3.

3.3 Our Right to Reduce Scope of Covenants. Additionally, we have the right, in our sole discretion, to unilaterally reduce the scope of all or part of any covenant referenced in this Section 3 of this Owners Agreement, without Owners' consent (before or after any dispute arises), effective when we give Owners written notice of this reduction. Owners agree to comply with any covenant as so modified.

### **4. Continuing Guarantee.**

4.1 Payment. Owners will pay us (or cause us to be paid) all monies payable by Franchisee under the Franchise Agreement whether now or in the future on the dates and in the manner required for payment in the relevant agreement.

4.2 Performance. Owners unconditionally guarantee full performance and discharge by Franchisee of all of Franchisee's obligations under the Franchise Agreement whether now or in the future on the date and times and in the manner required in the relevant agreement.

4.3 Indemnification. Owners will indemnify, defend and hold harmless us, all of our affiliates, and the respective shareholders, directors, partners, employees, and agents of such entities, against and from all losses, damages, costs, and expenses which we or they may sustain, incur, or become liable for, whether now or in the future, by reason of: (a) Franchisee's failure to pay the monies payable (to us or any of our affiliates) pursuant to the Franchise Agreement, or to do and perform any other act, matter, or thing required by the Franchise Agreement; or (b) any action by us to obtain performance by Franchisee of any act, matter, or thing required by the Franchise Agreement.

4.4 No Exhaustion of Remedies. Owners acknowledge and agree that we will not be obligated to proceed against Franchisee or exhaust any security from Franchisee or pursue or exhaust any remedy, including any legal or equitable relief against Franchisee, before proceeding to enforce the obligations of the Owners as guarantors under this Owners Agreement, and the enforcement of such obligations can take place before, after, or contemporaneously with, enforcement of any of Franchisee's debts or obligations under the Franchise Agreement.



4.5 Waiver of Notice. Without affecting Owners' obligations under this Section 4, we can extend, modify, or release any of Franchisee's indebtedness or obligation, or settle, adjust, or compromise any claims against Franchisee, all without notice to the Owners. Owners waive notice of amendment of the Franchise Agreement and notice of demand for payment or performance by Franchisee.

4.6 Effect of Owner's Death. Upon the death of an Owner, the estate of such Owner will be bound by the obligations in this Section 4, but only for defaults and obligations hereunder existing at the time of death; and the obligations of any other Owners will continue in full force and effect.

4.7 Waiver of Acceptance, Default and Defenses. Owners waive: (a) acceptance and notice of acceptance by us of the foregoing undertakings; (b) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; and (c) any and all other notices and legal or equitable defenses, right of setoff, claim or counterclaim whatsoever to which they may be entitled at any time hereunder.

4.8 Continuing Nature. Owners agree that each of the obligations in this Section 4 shall be continuing and shall not be discharged by: (i) the insolvency of Franchisee or the payment in full of all of the obligations at any time; (ii) the power or authority or lack thereof of Franchisee to incur the obligations; (iii) the validity or invalidity of any of the obligations; (iv) the existence or non-existence of Franchisee as a legal entity; (v) the transfer or assignment of all or a portion of the ownership in Franchisee and/or the assets of Franchisee; (vi) the execution of an owners agreement or any other form of guaranty by any direct, indirect or beneficial owner of Franchisee in favor of us or our successors or assigns; (vii) any statute of limitations affecting the liability of Owners or the ability of us to enforce this Owners Agreement or the obligations; (viii) any right of offset, counterclaim or defense of any Owner, including, without limitation, those which have been waived by Owners pursuant to this Owners Agreement; or (ix) the expiration, termination or assignment of the Franchise Agreement or any other agreement between you or Franchisee and us or our affiliates.

## 5. Transfers.

Owners acknowledge and agree that we have granted the Franchise Agreement to Franchisee in reliance on Owners' business experience, skill, financial resources and personal character. Accordingly, Owners agree: a) not to sell, encumber, assign, transfer, convey, pledge, merge or give away any direct or indirect interest in this Franchisee, unless Owners first comply with the sections in the Franchise Agreement regarding transfers and assignment, and b) that any attempt to do so will be a breach of this Owners Agreement and the Franchise Agreement. We may, from time to time, without notice to Owners, assign or transfer any or all of Owners' rights, duties and obligations or any interest therein in this Owners Agreement and, notwithstanding any assignment(s) or transfer(s), the rights, duties and obligations shall be and remain for the purpose of this Owners Agreement. Each and every immediate and successive assignee or transferee of any of the rights, duties or obligations of any interest therein shall, to the extent of such party's interest in the rights duties and/or obligations, be entitled to the benefits of this Owners Agreement to the same extent as if such assignee or transferee were us.

## 6. Notices.

6.1 Method of Notice. Any notices given under this Owners Agreement shall be in writing and delivered in accordance with the provisions of the Franchise Agreement.

6.2 Notice Addresses. Our current address for all communications under this Owners Agreement is:



Freedom Franchise Systems, LLC  
10975 Hughey Kimal Drive  
Venice, FL 34292

The current address of each Owner for all communications under this Owners Agreement is designated on the signature page of this Owners Agreement. Any party may designate a new address for notices by giving written notice to the other parties of the new address according to the method set forth in the Franchise Agreement.

## **7. Enforcement of This Owners Agreement.**

7.1 Dispute Resolution. Any claim or dispute arising out of or relating to this Owners Agreement shall be subject to the dispute resolution provisions of the Franchise Agreement. This agreement to engage in such dispute resolution process shall survive the termination or expiration of this Owners Agreement.

7.2 Choice of Law; Jurisdiction and Venue. This Owners Agreement and any claim or controversy arising out of, or relating to, any of the rights or obligations under this Owners Agreement, and any other claim or controversy between the parties, will be governed by the choice of law and jurisdiction and venue provisions of the Franchise Agreement.

7.3 Provisional Remedies. We have the right to seek from an appropriate court any provisional remedies, including temporary restraining orders or preliminary injunctions to enforce Owners' obligations under this Owners Agreement. Owners acknowledge and agree that there is no adequate remedy at law for Owners' failure to fully comply with the requirements of this Owners Agreement. Owners further acknowledge and agree that, in the event of any noncompliance, we will be entitled to temporary, preliminary, and permanent injunctions and all other equitable relief that any court with jurisdiction may deem just and proper. If injunctive relief is granted, Owners' only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, Owners expressly waive all claims for damages they incurred as a result of the wrongful issuance.

## **8. Miscellaneous.**

8.1 No Other Agreements. This Owners Agreement constitutes the entire, full and complete agreement between the parties, and supersedes any earlier or contemporaneous negotiations, discussions, understandings or agreements. There are no representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Owners Agreement, other than those in this Owners Agreement. No other obligations, restrictions or duties that contradict or are inconsistent with the express terms of this Owners Agreement may be implied into this Owners Agreement. Except for unilateral reduction of the scope of the covenants permitted in Section 3.3 (or as otherwise expressly provided in this Owners Agreement), no amendment, change or variance from this Owners Agreement will be binding on either party unless it is mutually agreed to by the parties and executed in writing. Time is of the essence.

8.2 Severability. Each provision of this Owners Agreement, and any portions thereof, will be considered severable. If any provision of this Owners Agreement or the application of any provision to any person, property or circumstances is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Owners Agreement will be unaffected and will still remain in full force and effect. The parties agree that the provision found to be invalid or unenforceable will be modified to the extent necessary to make it valid and enforceable, consistent as much as possible with the original intent of the parties (i.e., to provide maximum protection for us and to effectuate the Owners'



obligations under the Franchise Agreement), and the parties agree to be bound by the modified provisions.

8.3 No Third-Party Beneficiaries. Nothing in this Owners Agreement is intended to confer upon any person or entity (other than the parties and their heirs, successors and assigns) any rights or remedies under or by reason of this Owners Agreement.

8.4 Construction. Any term defined in the Franchise Agreement which is not defined in this Owners Agreement will be ascribed the meaning given to it in the Franchise Agreement. The language of this Owners Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Owners Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

8.5 Binding Effect. This Owners Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Owners Agreement is binding on the parties and their respective heirs, executors, administrators, personal representatives, successors and (permitted) assigns.

8.6 Successors. References to “Franchisor” or “the undersigned,” or “you” include the respective parties' heirs, successors, assigns or transferees.

8.7 Nonwaiver. Our failure to insist upon strict compliance with any provision of this Owners Agreement shall not be a waiver of our right to do so. Delay or omission by us respecting any breach or default shall not affect our rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Owners Agreement shall be cumulative.

8.8 No Personal Liability. You agree that fulfillment of any and all of our obligations written in the Franchise Agreement or this Owners Agreement, or based on any oral communications which may be ruled to be binding in a court of law, shall be our sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with us shall be personally liable to you for any reason.

8.9 Owners Agreement Controls. In the event of any discrepancy between this Owners Agreement and the Franchise Agreement, this Owners Agreement shall control.

***(Signatures to follow on next page)***



IN WITNESS WHEREOF, the parties have entered into this Owners Agreement as of the effective date of the Franchise Agreement.

**OWNERS:**

**OWNERS SPOUSE:**

Sign: \_\_\_\_\_  
Printed Name: [Insert Name of Owner]  
Address: [Insert Address of Owner]

Sign: \_\_\_\_\_  
Printed Name: [Insert Name of Spouse]  
Address: [Insert Address of Spouse]

Sign: \_\_\_\_\_  
Printed Name: [Insert Name of Owner]  
Address: [Insert Address of Owner]

Sign: \_\_\_\_\_  
Printed Name: [Insert Name of Spouse]  
Address: [Insert Address of Spouse]

Sign: \_\_\_\_\_  
Printed Name: [Insert Name of Owner]  
Address: [Insert Address of Owner]

Sign: \_\_\_\_\_  
Printed Name: [Insert Name of Spouse]  
Address: [Insert Address of Spouse]

Sign: \_\_\_\_\_  
Printed Name: [Insert Name of Owner]  
Address: [Insert Address of Owner]

Sign: \_\_\_\_\_  
Printed Name: [Insert Name of Spouse]  
Address: [Insert Address of Spouse]

Rev. 030824

Freedom Franchise Systems, LLC hereby accepts the agreements of the Owner(s) hereunder.

**FREEDOM FRANCHISE SYSTEMS, LLC**

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

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





**EXHIBIT C**  
**BRAND STANDARDS MANUAL**  
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## **FREEDOM BOAT CLUB** **BRAND STANDARDS MANUAL**

### **Freedom Franchise Systems, LLC**

897 E Venice Ave.  
Venice, FL 34285  
888.781.7363  
[www.freedomboatclub.com](http://www.freedomboatclub.com)

**Version 1.0**  
**Revised July 2022**

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Revised July 2022

This data is internal to Brunswick.



**Freedom Boat Club  
FRANCHISE OPERATIONS MANUAL  
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Revised July 2022

This data is internal to Brunswick.



**EXHIBIT D**  
**FINANCIAL STATEMENTS**



**Freedom Franchise Systems, LLC**

(a Florida Limited Liability Company)

**Audited Financial Statements**

For the Years Ended December 31, 2025 and 2024

**Freedom Franchise Systems, LLC**  
(a Florida Limited Liability Company)

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
of Freedom Franchise Systems, LLC

### **Opinion**

We have audited the accompanying financial statements of Freedom Franchise Systems, LLC (a Florida limited liability company), which comprise the statement of financial position as of December 31, 2025, and the related statements of operations, member's equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Freedom Franchise Systems, LLC as of December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Freedom Franchise Systems, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Freedom Franchise Systems, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## Auditor's 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 auditor's 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 Freedom Franchise Systems, LLC'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 Freedom Franchise Systems, LLC'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 audit.



Robinson, Gruters & Roberts, P.A.

Certified Public Accountants

Venice, Florida      March 19, 2026



**Freedom Franchise Systems, LLC**

(a Florida Limited Liability Company)

**Statement of Financial Position**

As of December 31, 2025 and 2024

|                                              | <u>2025</u>                 | <u>2024</u>                 |
|----------------------------------------------|-----------------------------|-----------------------------|
| <b>Assets</b>                                |                             |                             |
| <b>Current assets</b>                        |                             |                             |
| Cash and cash equivalents                    | \$ 527,690                  | \$ 338,670                  |
| Accounts receivable, net                     | 1,273,677                   | 1,799,869                   |
| <b>Total Current Assets</b>                  | <u><b>\$ 1,801,367</b></u>  | <u><b>\$ 2,138,539</b></u>  |
| <b>Property and Equipment</b>                |                             |                             |
| Assets not in service                        | 370,143                     | 43,148                      |
| Machinery and equipment                      | 24,059                      | 24,059                      |
| Less: Accumulated depreciation               | (22,358)                    | (14,338)                    |
| <b>Net property and equipment</b>            | <u><b>371,844</b></u>       | <u><b>52,869</b></u>        |
| <b>Intangible Assets</b>                     |                             |                             |
| Software                                     | 13,352,909                  | 12,377,064                  |
| Less: Accumulated amortization               | (6,117,418)                 | (4,984,924)                 |
| <b>Net intangible assets</b>                 | <u><b>7,235,491</b></u>     | <u><b>7,392,140</b></u>     |
| <b>Other assets</b>                          |                             |                             |
| Due from related parties                     | 11,448,658                  | 6,416,173                   |
| Prepaid expenses                             | 707,506                     | 840,771                     |
| <b>Total other assets</b>                    | <u><b>12,156,165</b></u>    | <u><b>7,256,944</b></u>     |
| <b>Total assets</b>                          | <u><b>\$ 21,564,867</b></u> | <u><b>\$ 16,840,492</b></u> |
| <b>Liabilities</b>                           |                             |                             |
| <b>Current liabilities</b>                   |                             |                             |
| Accounts payable                             | \$ 13,370                   | \$ 7,428                    |
| Accrued expenses                             | 11,499                      | 120,252                     |
| Other payables                               | 81,838                      | 51,115                      |
| Due to related parties                       | 3,388,251                   | 2,627,588                   |
| Deferred revenue                             | -                           | -                           |
| <b>Total current liabilities</b>             | <u><b>3,494,958</b></u>     | <u><b>2,806,383</b></u>     |
| <b>Member's equity</b>                       | 18,069,908                  | 14,034,110                  |
| <b>Total liabilities and member's equity</b> | <u><b>\$ 21,564,867</b></u> | <u><b>\$ 16,840,493</b></u> |

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

Robinson, Gruters &amp; Roberts, P.A.

Certified Public Accountants

**Freedom Franchise Systems, LLC**

(a Florida Limited Liability Company)

**Statement of Operations**

For the Years Ended December 31, 2025 and 2024

|                                       | 2025                | 2024                |
|---------------------------------------|---------------------|---------------------|
| <b>Revenue</b>                        |                     |                     |
| Royalties                             | \$ 9,565,550        | \$ 9,471,629        |
| Franchise fees                        | 618,911             | 549,793             |
| Other                                 | 500                 | 13,301              |
| <b>Total revenue</b>                  | <b>10,184,960</b>   | <b>10,034,722</b>   |
| <b>Expenses</b>                       |                     |                     |
| Employee compensation and benefits    | 1,420,535           | 1,769,647           |
| Marketing and advertising             | 1,201,348           | 853,479             |
| Travel and entertainment              | 93,279              | 73,452              |
| Depreciation and amortization         | 1,140,514           | 882,039             |
| Professional fees and services        | 234,621             | 211,016             |
| Office and administration             | 70,920              | 50,221              |
| IT expenses                           | 604,924             | 929,200             |
| Other operating expenses              | -                   | -                   |
| <b>Total Expenses</b>                 | <b>4,766,140</b>    | <b>4,769,053</b>    |
| <b>Income from operations</b>         | <b>5,418,820</b>    | <b>5,265,669</b>    |
| <b>Other income (expense)</b>         |                     |                     |
| Interest income                       | 3,440               | 3,477               |
| Foreign exchange loss                 | (4,730)             | (51,034)            |
| Intercompany royalty income (expense) | (86,550)            | 77,111              |
| Other non-operating income (expenses) | -                   | -                   |
| <b>Total other income (expense)</b>   | <b>(87,840)</b>     | <b>29,554</b>       |
| <b>Net income before income taxes</b> | <b>5,330,980</b>    | <b>5,295,224</b>    |
| <b>Income taxes</b>                   | <b>(1,295,182)</b>  | <b>(1,313,442)</b>  |
| <b>Net income</b>                     | <b>\$ 4,035,798</b> | <b>\$ 3,981,782</b> |

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

Robinson, Gruters & Roberts, P.A.

Certified Public Accountants

**Freedom Franchise Systems, LLC**  
(a Florida Limited Liability Company)  
**Statement of Members' Equity**  
For the Years Ended December 31, 2025 and 2024

|                                    | <b><u>Members' Equity</u></b> |
|------------------------------------|-------------------------------|
| Members' Equity, December 31, 2023 | \$ 10,052,328                 |
| Net income                         | <u>3,981,782</u>              |
| Members' Equity, December 31, 2024 | 14,034,110                    |
| Net income                         | 4,035,798                     |
| Members' Equity, December 31, 2025 | <u>\$ 18,069,908</u>          |

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

**Freedom Franchise Systems, LLC**

(a Florida Limited Liability Company)

**Statement of Cash Flows**

For the Years Ended December 31, 2025 and 2024

|                                                                                      | <u>2025</u>        | <u>2024</u>        |
|--------------------------------------------------------------------------------------|--------------------|--------------------|
| <b>Operating Activities</b>                                                          |                    |                    |
| Net Income                                                                           | \$ 4,035,798       | \$ 3,981,782       |
| Adjustments to reconcile net income to<br>net cash provided by operating activities: |                    |                    |
| Non-cash Adjustments:                                                                |                    |                    |
| Provision for expected credit losses                                                 | -                  | -                  |
| Depreciation and amortization                                                        | 1,140,514          | 882,039            |
| Changes in operating assets and liabilities:                                         |                    |                    |
| Accounts receivable                                                                  | 526,192            | (1,045,697)        |
| Prepaid expenses                                                                     | 133,265            | (202,523)          |
| Accounts payable                                                                     | 5,942              | (190,954)          |
| Accrued expenses                                                                     | (108,752)          | 115,049            |
| Other payables                                                                       | 30,723             | 51,115             |
| Deferred revenue                                                                     | -                  | (444,275)          |
| <b>Net cash provided by operating activities</b>                                     | <u>5,763,681</u>   | <u>3,146,535</u>   |
| <b>Investing Activities</b>                                                          |                    |                    |
| Purchase of property and equipment                                                   | -                  | -                  |
| Purchase of software and other intangible assets                                     | (1,302,840)        | (1,361,814)        |
| <b>Net cash used by investing activities</b>                                         | <u>(1,302,840)</u> | <u>(1,361,814)</u> |
| <b>Financing Activities</b>                                                          |                    |                    |
| Advances to parent and related companies                                             | (5,032,486)        | (2,605,881)        |
| Advances from parent and related companies                                           | 760,663            | 1,003,615          |
| <b>Net cash used by financing activities</b>                                         | <u>(4,271,821)</u> | <u>(1,602,266)</u> |
| <br>Net cash increase (decrease) for period                                          | 189,021            | 182,455            |
| Cash at beginning of period                                                          | 338,670            | 156,215            |
| <b>Cash at end of period</b>                                                         | <u>\$ 527,690</u>  | <u>\$ 338,670</u>  |
| <br><b>Supplemental Information</b>                                                  |                    |                    |
| Cash paid for income taxes                                                           | -                  | -                  |

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

Robinson, Gruters &amp; Roberts, P.A.

Certified Public Accountants

**Freedom Franchise Systems, LLC**  
(a Florida Limited Liability Company)  
**Notes to Financial Statements**  
For the Years Ended December 31, 2025 and 2024

**Note 1 - Organization and Nature of Operations**

Freedom Franchise Systems, LLC (the "Company"), a Florida limited liability company, was formed in February 2011 and commenced operations in March 2011. The Company operates as a franchisor within the boat club industry and generates revenue primarily through franchise fees and royalties.

The Company is a wholly owned subsidiary of Brunswick Corporation ("Brunswick"), a publicly traded marine company. In addition to its franchise operations, the Company conducts business with other affiliates under common control of Brunswick.

As of December 31, 2025, the Company had a mix of affiliate-operated and franchised locations across various geographic regions. The majority of locations are franchised and operated by independent third parties under licensing agreements.

**Note 2 - Summary of Significant Accounting Policies**

**Basis of Presentation**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Company presents its financial statements on an accrual basis, consistent with the nature of its operations and the guidance set forth in the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC").

**Use of Estimates**

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

Cash and cash equivalents include all highly liquid investments with original maturities of three months or less. The Company maintains cash balances with financial institutions, which may exceed federally insured limits. Management does not believe the Company is exposed to significant credit risk with respect to these balances.

**Concentration of Credit Risk**

The Company's financial instruments that potentially subject it to concentrations of credit risk consist primarily of cash and accounts receivable. The Company monitors the financial condition of its customers on an ongoing basis and believes its exposure to credit risk related to accounts receivable is limited.

Note 2 - Significant Accounting Policies, continued

**Revenue Recognition**

The Company generates revenue primarily through royalties, franchise fees, and other income. Royalty revenue is earned as a percentage of gross sales from franchisees and is recognized in the same period in which the related franchise location generates revenue. Franchise fees are recognized when the Company has satisfied its performance obligations, which typically occurs when a franchise location begins operations.

**Accounts Receivable**

Accounts receivable consist of amounts due from franchisees under the terms of franchise agreements. The Company evaluates the collectability of receivables and records an allowance for expected credit losses based on historical experience, current conditions, and reasonable and supportable forecasts.

As of December 31, 2025, accounts receivable totaled \$1,273,677, net of an allowance for expected credit losses of \$86,419.

**Income Taxes**

Freedom Franchise Systems, LLC is a disregarded entity for federal and state income tax purposes. Its results are included in the consolidated income tax filings of its parent, and federal and state income taxes are paid at the parent company level. Income tax expense is allocated to the Company based on its share of taxable income and is included in the accompanying financial statements.

Management has evaluated the Company's tax positions and concluded that there are no uncertain tax positions that would have a material impact on the financial statements as of December 31, 2025. The parent company's federal income tax returns for the year ended December 31, 2023, and subsequent years remain subject to examination by the Internal Revenue Service.

**Property and Equipment**

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from three to five years. Expenditures for major additions and improvements are capitalized, while routine maintenance and repairs are expensed as incurred.

**Intangible Assets**

Intangible assets consist primarily of internally developed software, including the Company's website and online reservation system. These assets are stated at cost and amortized on a straight-line basis over estimated useful lives of five to ten years, depending on the nature of the asset.

**Fair Value of Financial Instruments**

The Company's financial instruments include cash and cash equivalents, accounts receivable, and accounts payable. The carrying values of these instruments approximate fair value due to their short-term nature and market-based terms.

### Note 3 - Related Parties

The Company is affiliated with various entities under the common control of Brunswick Corporation ("Brunswick"), the Company's parent. These affiliates, collectively referred to as the "Freedom Group," include Freedom Outdoor Delaware, LLC ("FOD"), Freedom Boat Club, LLC ("Boat Club"), Freedom Marine Sales, LLC ("Marine Sales"), Freedom Business Services, LLC ("FBS"), Paradise Family, LLC ("PF"), Another Day In Paradise Boat Club, LLC ("ADIP"), and Freedom Boat Club Canada Limited ("FBCC"), among others. See Note 1 for additional information on the Company's ownership and structure.

Members of the Freedom Group share personnel, administrative services, and operational resources. Administrative costs are allocated based on estimated usage. The Company also engages in intercompany transactions involving services, equipment, and operational support.

As of December 31, 2025 and 2024, the Company had the following related party balances:

Due from Brunswick (parent): \$11,257,199 and \$6,416,173, respectively

Due from Freedom Boat Club: \$110,982 and \$340,275

Due from Brunswick Affiliates: \$80,477 and \$62,797

Due from Brunswick (parent): \$296,374 and \$0

Due to Freedom Boat Club: \$2,573,626 and \$2,763,080

Due to Brunswick Affiliates: \$518,251 and \$267,580

All balances are unsecured, non-interest bearing, and have no stated terms of repayment.

### Note 4 - Subsequent Events

The Company has evaluated events and transactions occurring after December 31, 2025 through March 19, 2026, the date the financial statements were available to be issued. No material subsequent events requiring adjustment to or disclosure in the financial statements were identified during this period.



**Freedom Franchise Systems, LLC**  
**(a Florida Limited Liability Company)**  
**Statement of Financial Position**  
**As of December 31, 2025 and 2024**

|                                       | <u>2025</u>          | <u>2024</u>          |
|---------------------------------------|----------------------|----------------------|
| <b>Assets</b>                         |                      |                      |
| Current assets                        |                      |                      |
| Cash and cash equivalents             | \$ 527,690           | \$ 338,670           |
| Accounts receivable, net              | 1,273,677            | 1,799,869            |
| Total Current Assets                  | \$ 1,801,367         | \$ 2,138,539         |
| Property and Equipment                |                      |                      |
| Assets not in service                 | 370,143              | 43,148               |
| Machinery and equipment               | 24,059               | 24,059               |
| Less: Accumulated depreciation        | (22,358)             | (14,338)             |
| Net property and equipment            | 371,844              | 52,869               |
| Intangible Assets                     |                      |                      |
| Software                              | 13,352,909           | 12,377,064           |
| Less: Accumulated amortization        | (6,117,418)          | (4,984,924)          |
| Net intangible assets                 | 7,235,491            | 7,392,140            |
| Other assets                          |                      |                      |
| Due from related parties              | 11,448,658           | 6,416,173            |
| Prepaid expenses                      | 707,506              | 840,771              |
| Total other assets                    | 12,156,165           | 7,256,944            |
| Total assets                          | \$ <u>21,564,867</u> | \$ <u>16,840,492</u> |
| <b>Liabilities</b>                    |                      |                      |
| Current liabilities                   |                      |                      |
| Accounts payable                      | \$ 13,370            | \$ 7,428             |
| Accrued expenses                      | 11,499               | 120,252              |
| Other payables                        | 81,838               | 51,115               |
| Due to related parties                | 3,388,251            | 2,627,588            |
| Total current liabilities             | 3,494,958            | 2,806,382            |
| Member's equity                       | 18,069,908           | 14,034,110           |
| Total liabilities and member's equity | \$ <u>21,564,867</u> | \$ <u>16,840,493</u> |
|                                       | 0                    | (0)                  |

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

**Freedom Franchise Systems, LLC**  
**(a Florida Limited Liability Company)**

**Audited Financial Statements**

**For the Years Ended December 31, 2024 and 2023**

**Freedom Franchise Systems, LLC**  
**(a Florida Limited Liability Company)**

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ROBINSONGRUTERS.COM

Eric W. Robinson, C.P.A. .

• Joe Gruters, C.P.A.

• Donna M. Roberts, C.P.A.

• Kelly Jones, C.P.A.

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
of Freedom Franchise Systems, LLC

### **Opinion**

We have audited the accompanying financial statements of Freedom Franchise Systems, LLC (a Florida limited liability company), which comprise the balance sheets as of December 31, 2024, and the related statements of income, member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Freedom Franchise Systems, LLC as of December 31, 2024, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Freedom Franchise Systems, LLC 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 Freedom Franchise System, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's 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 auditor's 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 Freedom Franchise System'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 Freedom Franchise System, LLC'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 audit.

*Robinson, Gruters & Roberts P.A.*

Robinson, Gruters & Roberts, P.A.

Venice, Florida April 7, 2024

**Freedom Franchise Systems, LLC**  
**(a Florida Limited Liability Company)**  
**Statement of Financial Position**  
**As of December 31, 2024 and 2023**

|                                       | 2024          | 2023          |
|---------------------------------------|---------------|---------------|
| <b>Assets</b>                         |               |               |
| Current assets                        |               |               |
| Cash and cash equivalents             | \$ 338,670    | \$ 156,215    |
| Accounts receivable, net              | 1,799,869     | 754,172       |
| Total Current Assets                  | \$ 2,138,539  | \$ 910,387    |
| Property and Equipment                |               |               |
| Assets not in service                 | 43,148        | 160,000       |
| Machinery and equipment               | 24,059        | 24,059        |
| Less: Accumulated depreciation        | (14,338)      | (6,319)       |
| Net property and equipment            | 52,869        | 177,740       |
| Intangible Assets                     |               |               |
| Software                              | 12,377,064    | 10,898,399    |
| Less: Accumulated amortization        | (4,984,924)   | (4,110,905)   |
| Net intangible assets                 | 7,392,140     | 6,787,494     |
| Other assets                          |               |               |
| Due from related parties              | 6,416,173     | 3,810,292     |
| Prepaid expenses                      | 840,771       | 638,248       |
| Total other assets                    | 7,256,944     | 4,448,540     |
| Total assets                          | \$ 16,840,492 | \$ 12,324,161 |
| <b>Liabilities</b>                    |               |               |
| Current liabilities                   |               |               |
| Accounts payable                      | \$ 7,428      | \$ 198,382    |
| Accrued expenses                      | 120,252       | 5,203         |
| Other payables                        | 51,115        | -             |
| Due to related parties                | 2,627,588     | 1,623,973     |
| Deferred revenue                      | -             | 444,275       |
| Total current liabilities             | 2,806,382     | 2,271,833     |
| Member's equity                       | 14,034,110    | 10,052,328    |
| Total liabilities and member's equity | \$ 16,840,493 | \$ 12,324,161 |

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



**Freedom Franchise Systems, LLC**  
**(a Florida Limited Liability Company)**  
**Statement of Operations**  
**For the Years Ended December 31, 2024 and 2023**

|                                       | 2024                | 2023                |
|---------------------------------------|---------------------|---------------------|
| <b>Revenue</b>                        |                     |                     |
| Royalties                             | \$ 9,471,629        | \$ 8,489,993        |
| Franchise fees                        | 549,793             | 387,500             |
| Other                                 | 13,301              | 161,087             |
| Total revenue                         | <u>10,034,722</u>   | <u>9,038,580</u>    |
| <b>Expenses</b>                       |                     |                     |
| Employee compensation and benefits    | 1,769,647           | 1,781,538           |
| Marketing and advertising             | 853,479             | 893,485             |
| Travel and entertainment              | 73,452              | 103,071             |
| Depreciation and amortization         | 882,039             | 636,010             |
| Professional fees and services        | 211,016             | 446,406             |
| Office and administration             | 50,221              | 67,363              |
| IT expenses                           | 929,200             | 2,306,892           |
| Other operating expenses              | -                   | 12,396              |
| Total Expenses                        | <u>4,769,053</u>    | <u>6,247,161</u>    |
| Income from operations                | 5,265,669           | 2,791,419           |
| Other income (expense)                |                     |                     |
| Interest income                       | 3,477               | 1,296               |
| Foreign exchange loss                 | (51,034)            | (70,183)            |
| Intercompany royalty income           | 77,111              | -                   |
| Other non-operating income (expenses) | -                   | (492,433)           |
| Total other income (expense)          | <u>29,554</u>       | <u>(561,320)</u>    |
| Net income before income taxes        | 5,295,224           | 2,230,099           |
| Income taxes                          | (1,313,442)         | (446,254)           |
| Net income                            | <u>\$ 3,981,782</u> | <u>\$ 1,783,845</u> |

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

**Freedom Franchise Systems, LLC**  
**(a Florida Limited Liability Company)**  
**Statement of Members' Equity**  
**For the Years Ended December 31, 2024 and 2023**

|                                    | <b>Members<br/>Equity</b> |
|------------------------------------|---------------------------|
| Members' Equity, December 31, 2022 | \$ 8,268,483              |
| Net income                         | 1,783,845                 |
| Members' Equity, December 31, 2023 | 10,052,328                |
| Net income                         | 3,981,782                 |
| Members' Equity, December 31, 2024 | \$ <u>14,034,110</u>      |

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

**Freedom Franchise Systems, LLC**  
**(a Florida Limited Liability Company)**  
**Statement of Cash Flows**  
**For the Years Ended December 31, 2024 and 2023**

|                                                                                   | 2024               | 2023               |
|-----------------------------------------------------------------------------------|--------------------|--------------------|
| <b>Operating income</b>                                                           |                    |                    |
| Net Income                                                                        | \$ 3,981,782       | \$ 1,783,845       |
| Adjustments to reconcile net income to net cash provided by operating activities: |                    |                    |
| Non-cash Adjustments:                                                             |                    |                    |
| Provision for expected credit losses                                              | -                  | 249,383            |
| Depreciation and amortization                                                     | 882,039            | 636,010            |
| Changes in operating assets and liabilities:                                      |                    |                    |
| Accounts receivable                                                               | (1,045,697)        | (34,269)           |
| Prepaid expenses                                                                  | (202,523)          | (287,576)          |
| Accounts payable                                                                  | (190,954)          | (538,551)          |
| Accrued expenses                                                                  | 115,049            | (200,336)          |
| Other payables                                                                    | 51,115             | (15,805)           |
| Deferred revenue                                                                  | (444,275)          | 444,275            |
| Net cash provided by operating activities                                         | <u>3,146,535</u>   | <u>2,036,976</u>   |
| <b>Investing Activities</b>                                                       |                    |                    |
| Purchase of property and equipment                                                | -                  | (15,938)           |
| Purchase of software and other intangible assets                                  | (1,361,814)        | (1,106,099)        |
| Net cash used by investing activities                                             | <u>(1,361,814)</u> | <u>(1,122,037)</u> |
| <b>Financing Activities</b>                                                       |                    |                    |
| Advances to parent company                                                        | (2,605,881)        | (2,406,945)        |
| Advances from related companies                                                   | 1,003,615          | 1,623,973          |
| Net cash used by financing activities                                             | <u>(1,602,266)</u> | <u>(782,972)</u>   |
| Net cash increase (decrease) for period                                           | 182,455            | 131,967            |
| Cash at beginning of period                                                       | 156,215            | 24,248             |
| Cash at end of period                                                             | \$ 338,670         | \$ 156,215         |
| <b>Supplemental Information</b>                                                   |                    |                    |
| Cash paid for income taxes                                                        | -                  | 887,882            |

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

Freedom Franchise Systems, LLC  
(a Florida Limited Liability Company)  
Notes to Financial Statements  
For the Years Ended December 31, 2024 and 2023

Note 1 - Organization and Nature of Operations

Freedom Franchise Systems, LLC (the “Company”), a Florida limited liability company, was formed in February 2011 and commenced operations in March 2011. The Company operates as a franchisor within the boat club industry and generates revenue primarily through franchise fees and royalties.

The Company is a wholly owned subsidiary of Brunswick Corporation (“Brunswick”), a publicly traded marine company. In addition to its franchise operations, the Company conducts business with other affiliates under common control of Brunswick, including related-party service.

As of December 31, 2024, the franchise system consisted of locations owned and operated by affiliates of the Company and franchised locations across various geographic regions. The majority of locations are franchised and operated by independent third parties under licensing agreements.

Note 2 - Summary of Significant Accounting Policies

**Basis of Presentation**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Company presents its financial statements on an accrual basis, consistent with the nature of its operations and the guidance set forth in the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification

**Use of Estimates**

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

Cash and cash equivalents include all highly liquid investments with original maturities of three months or less. The Company maintains cash balances with financial institutions, which may exceed federally insured limits. Management does not believe the Company is exposed to significant credit risk with respect to these balances.

**Concentration of Credit Risk**

The Company’s financial instruments that potentially subject it to concentrations of credit risk consist primarily of cash and accounts receivable. The Company monitors the financial condition of its customers on an ongoing basis and believes its exposure to credit risk related to accounts receivable is limited.

Freedom Franchise Systems, LLC  
(a Florida Limited Liability Company)  
Notes to Financial Statements  
For the Years Ended December 31, 2024 and 2023

Note 2 - Significant Accounting Policies, continued

**Revenue Recognition**

The Company generates revenue primarily through royalties, franchise fees, and other income. Royalty revenue is earned as a percentage of gross sales from franchisees and is recognized in the same period in which the related franchise location generates revenue. Franchise fees are recognized when the Company has satisfied its performance obligations, which typically occurs when a franchise location begins operations.

**Accounts Receivable**

Accounts receivable consist of amounts due from franchisees under the terms of franchise agreements. The Company evaluates the collectability of receivables and records an allowance for expected credit losses based on historical experience, current conditions, and reasonable and supportable forecasts.

As of December 31, 2024, accounts receivable totaled \$1,799,869, net of an allowance for expected credit losses of \$113,759.

**Income Taxes**

Freedom Franchise Systems, LLC is a disregarded entity for federal and state income tax purposes. Its results are included in the consolidated income tax filings of its parent, and federal and state income taxes are paid at the parent company level. Income tax expense is allocated to the Company based on its share of taxable income and is included in the accompanying financial statements.

Management has evaluated the Company's tax positions and concluded that there are no uncertain tax positions that would have a material impact on the financial statements as of December 31, 2024. The parent company's federal income tax returns for the year ended December 31, 2022, and subsequent years remain subject to examination by the Internal Revenue Service.

**Property and Equipment**

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from three to five years. Expenditures for major additions and improvements are capitalized, while routine maintenance and repairs are expensed as incurred.

**Intangible Assets**

Intangible assets consist primarily of internally developed software, including the Company's website and online reservation system. These assets are stated at cost and amortized on a straight-line basis over estimated useful lives of five to ten years, depending on the nature of the asset.

**Fair Value of Financial Instruments**

The Company's financial instruments include cash and cash equivalents, accounts receivable, and accounts payable. The carrying values of these instruments approximate fair value due to their short-term nature and market-based terms.

Freedom Franchise Systems, LLC  
(a Florida Limited Liability Company)  
Notes to Financial Statements  
For the Years Ended December 31, 2024 and 2023

Note 3 - Related Parties

The Company is affiliated with various entities under the common control, the Company's parent, Brunswick. These affiliates, collectively referred to as the "Freedom Group," include Freedom Outdoor Delaware, LLC ("FOD"), Freedom Boat Club, LLC ("Boat Club"), Freedom Marine Sales, LLC ("Marine Sales"), Freedom Business Services, LLC ("FBS"), Paradise Family, LLC ("PF"), Another Day In Paradise Boat Club, LLC ("ADIP"), and Freedom Boat Club Canada Limited ("FBCC"), among others. See Note 1 for additional information on the Company's ownership and structure.

Members of the Freedom Group share personnel, administrative services, and operational resources. Administrative costs are allocated based on estimated usage. The Company also engages in intercompany transactions involving services, equipment, and operational support.

As of December 31, 2024 and 2023, the Company had the following related party balances:

- Due from Brunswick (parent): \$6,416,173 and \$3,810,292, respectively
- Due from Freedom Boat Club: \$340,275 and \$3,600
- Due from Brunswick Affiliates \$62,797 and \$3,000
- Due to Freedom Boat Club: \$2,763,080 and \$1,393,636
- Due to Brunswick Affiliates: \$267,580 and \$236,925

All balances are unsecured, non-interest bearing, and have no stated terms of repayment.

Note 4 - Subsequent Events

The Company has evaluated events and transactions occurring after December 31, 2024 through April 7, 2025, the date the financial statements were available to be issued. No material subsequent events requiring adjustment to or disclosure in the financial statements were identified during this period.

**EXHIBIT E**

**STATE ADDENDA  
AND AGREEMENT RIDERS**



## STATE ADDENDA AND AGREEMENT RIDERS

### ADDENDUM TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS, AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES FOR FREEDOM FRANCHISE SYSTEMS, LLC

The following modifications are made to the Freedom Franchise Systems, LLC (“**Franchisor**,” “**us**,” “**we**,” or “**our**”) Franchise Disclosure Document (“**FDD**”) given to franchisee (“**Franchisee**,” “**you**,” or “**your**”) and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement between you and us dated \_\_\_\_\_, 20\_\_\_\_ (“**Franchise Agreement**”). When the term “**Franchisor’s Choice of Law State**” is used, it means Florida. When the term “**Supplemental Agreements**” is used, it means none.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement and other documents related to the sale of a franchise. This State Specific Addendum (“**State Addendum**”) will modify these agreements to comply with the state’s laws. The terms of this State Addendum will only apply if you meet the requirements of the applicable state independently of your signing of this State Addendum. The terms of this State Addendum will override any inconsistent provision of the FDD, Franchise Agreement or any Supplemental Agreements. This State Addendum only applies to the following states: California, Hawaii, Illinois, Iowa, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Ohio, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

If your state requires these modifications, you will sign this State Addendum along with the Franchise Agreement and any Supplemental Agreements.

#### **CALIFORNIA**

**The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.**

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the Franchise be delivered together with the FDD 14 days prior to execution of the agreement.

California Corporations Code Section 31125 requires us to give to you an FDD approved by the Department of Financial Protection and Innovation before we ask you to consider a material modification of your Franchise Agreement.

The Franchise Agreement contains a provision requiring binding arbitration with the costs being awarded to the prevailing party. The arbitration will occur in Florida. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside the State of California. The Franchise Agreement contains a mediation provision. The parties shall each bear their own costs of mediation and shall share equally the filing fee and the mediator’s fees.

The Franchise Agreement requires the application of the laws of the state of Florida. This provision may not be enforceable under California law.





Neither Franchisor nor any other person listed in Item 2 of the FDD 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.

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the California Franchise Investment Law, the California Franchise Investment Law will control.

The Franchise Agreement provides for termination upon bankruptcy. Any such provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. SEC. 101 et seq.).

The Franchise Agreement contains a covenant not to compete provision which extends beyond the termination of the Franchise. Such provisions may not be enforceable under California law.

Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement may not be enforceable.

You must sign a general release of claims if you renew or transfer your Franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516).

Our website has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

Item 6 of the FDD is amended to state the highest interest rate allowed by law in California is 10% annually.

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.

#### Fee Deferral:

The Department of Financial Protection and Innovation requires that the Franchisor defer the collection of all initial fees from California franchisees until the Franchisor has completed all its pre-opening obligations and franchisee is open for business.

#### HAWAII

The following is added to the Cover Page:

**THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS**



**THAT THE INFORMATION PROVIDED IN THIS FRANCHISE DISCLOSURE DOCUMENT 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 YOU OR SUBFRANCHISOR AT LEAST SEVEN (7) DAYS PRIOR TO THE EXECUTION BY YOU OR SUBFRANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN (7) DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, 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 US AND YOU.**

Registered agent in the state authorized to receive service of process:

Commissioner of Securities of the State of Hawaii  
Department of Commerce and Consumer Affairs  
Business Registration Division  
335 Merchant Street, Room 203  
Honolulu, Hawaii 96813

The status of the Franchisor's franchise registrations in the states which require registration is as follows:

1. States in which this proposed registration is effective are listed in Exhibit I of the FDD on the page entitled, "State Effective Dates".
2. States which have refused, by order or otherwise, to register these Franchises are:  
  
None
3. States which have revoked or suspended the right to offer the Franchises are:  
  
None
4. States in which the proposed registration of these Franchises has been withdrawn are:  
  
None



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.

#### Fee Deferral

Items 5 and 7 of the FDD and Section 3 of the Franchise Agreement are amended to state: Based upon the franchisor's financial condition, the Hawaii Department of Commerce and Consumer Affairs has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the Franchise Agreement.

#### ILLINOIS

Illinois law governs the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Signature of Franchisor Representative

\_\_\_\_\_  
Signature of Franchisee Representative

\_\_\_\_\_  
Title of Franchisor Representative

\_\_\_\_\_  
Title of Franchisee Representative



## **INDIANA**

Item 8 of the FDD is amended to add the following:

Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

Item 17 of the FDD is amended to add the following:

Indiana Code 23-2-2.7-1(7) makes it unlawful for us to unilaterally terminate your Franchise Agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

Indiana Code 23-2-2.7-1(5) prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.

The “Summary” column in Item 17.r. of the FDD is deleted and the following is inserted in its place:

No competing business for two (2) years within the Protected Territory.

The “Summary” column in Item 17.t. of the FDD is deleted and the following is inserted in its place:

Notwithstanding anything to the contrary in this provision, you do not waive any right under the Indiana Statutes with regard to prior representations made by us.

The “Summary” column in Item 17.v. of the FDD is deleted and the following is inserted in its place:

Litigation regarding Franchise Agreement in Indiana; other litigation in Franchisor’s Choice of Law State. This language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, is 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, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

The “Summary” column in Item 17.w. of the FDD is deleted and the following is inserted in its place:

Indiana law applies to disputes covered by Indiana franchise laws; otherwise Franchisor’s Choice of Law State law applies.

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the FDD, the Franchise Agreement, or Franchisor’s Choice of Law State law, if such provisions are in conflict with Indiana law.
2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the Franchise without good cause or in bad faith, good cause being defined under law as including any material



breach of the Franchise Agreement, will supersede the provisions of the Franchise Agreement relating to termination for cause, to the extent those provisions may be inconsistent with such prohibition.

3. Any provision in the Franchise Agreement that would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.
4. The covenant not to compete that applies after the expiration or termination of the Franchise Agreement for any reason is hereby modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).
5. The following provision will be added to the Franchise Agreement:

No Limitation on Litigation. Despite the foregoing provisions of this Agreement, any provision in the Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any such contractual provision violates the Indiana Deceptive Franchise Practices 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.

## **IOWA**

Any provision in the Franchise Agreement or Compliance Questionnaire which would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Iowa Business Opportunity Promotions Law (Iowa Code Ch. 551A) is void to the extent that such provision violates such law.

The following language will be added to the Franchise Agreement:

### **NOTICE OF CANCELLATION**

\_\_\_\_\_ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within three (3) business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten (10) business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be cancelled.

If you cancel, you must make available to the seller at your residence or business address, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.



If you do not agree to return the goods to the seller or if the seller does not pick them up within twenty (20) days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Freedom Franchise Systems, LLC, 10975 Hughey Kimal Drive, Venice, FL 34292, not later than midnight of the third business day after the Effective Date.

I hereby cancel this transaction.

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

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

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

Its: \_\_\_\_\_

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

## **MARYLAND**

### **AMENDMENTS TO FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENTS**

Item 17 of the FDD and the Franchise Agreement are amended to state: “The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”

Item 17 of the FDD and sections of the Franchise Agreement are amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the Franchise.

The Franchise Agreement and Franchise Disclosure Questionnaire are amended to state that all representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to, nor shall they act as, a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A Sec. 101 et seq.).

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.

### **Fee Deferral**



Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

## **MICHIGAN**

**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 your right to join an association of franchisees.
- (b) A requirement that you assent to a release, assignment, novation, waiver, or estoppel which deprives you of rights and protections provided in this act. This shall not preclude you, after entering into a Franchise Agreement, from settling any and all claims.
- (c) A provision that permits us to terminate a Franchise prior to the expiration of its term except for good cause. Good cause shall include your failure to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits us to refuse to renew your Franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us 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 five (5) years; and (ii) you are prohibited by the Franchise Agreement 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 you do not receive at least six (6) months' advance notice of our intent not to renew the Franchise.
- (e) A provision that permits us 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 the State of Michigan. This shall not preclude you from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits us to refuse to permit a transfer of ownership of a Franchise, except for good cause. This subdivision does not prevent us from exercising a right of first refusal to purchase the Franchise. Good cause shall include, but is not limited to:
  - (i) the failure of the proposed transferee to meet our then-current reasonable qualifications or standards.



- (ii) the fact that the proposed transferee is a competitor of us or our subfranchisor.
- (iii) the unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- (iv) your or proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

(h) A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants to us 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 us the right to acquire the assets of a Franchise for the market or appraised value of such assets if you have breached the lawful provisions of the Franchise Agreement and have failed to cure the breach in the manner provided in subdivision (c).

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

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

Any questions regarding this notice should be directed to:

State of Michigan  
Department of Attorney General  
Consumer Protection Division  
Attn: Franchise  
670 Law Building  
525 W. Ottawa Street  
Lansing, Michigan 48913  
Telephone Number: (517) 373-7117

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.

## **MINNESOTA**

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Minnesota:

1. Any provision in the Franchise Agreement which would require you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22 will be void to the extent that such contractual provision violates such law.





2. Minnesota Statute Section 80C.21 and Minnesota Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside of Minnesota. In addition, nothing in the FDD or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of Minnesota.
3. Minn. Rule Part 2860.4400J prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. Any provision in the Franchise Agreement which would require you to waive your rights to any procedure, forum or remedies provided for by the laws of the State of Minnesota is deleted from any agreement relating to Franchises offered and sold in the State of Minnesota; provided, however, that this paragraph will not affect the obligation in the Franchise Agreement relating to arbitration.
4. With respect to Franchises governed by Minnesota law, we will comply with Minnesota Statute Section 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement; and that consent to the transfer of the Franchise will not be unreasonably withheld.
5. Item 13 of the FDD is hereby amended to state that we will protect your rights under the Franchise Agreement to use the Proprietary Marks, or indemnify you from any loss, costs, or expenses arising out of any third-party claim, suit or demand regarding your use of the Proprietary Marks, if your use of the Proprietary Marks is in compliance with the provisions of the Franchise Agreement and our System standards.
6. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. As a result, the FDD and the Franchise Agreement, which require you to sign a general release prior to renewing or transferring your Franchise, are hereby deleted from the Franchise Agreement, to the extent required by Minnesota law.
7. The following language will appear as a new paragraph of the Franchise Agreement:

No Abrogation. Pursuant to Minnesota Statutes, Section 80C.21, nothing in the dispute resolution section of this Agreement will in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80.C.
8. Minnesota Statute Section 80C.17 states that no action for a violation of Minnesota Statutes, Sections 80C.01 to 80C.22 may be commenced more than three (3) years after the cause of action accrues. To the extent that the Franchise Agreement conflicts with Minnesota law, Minnesota law will prevail.
9. Item 6 of the FDD and Section III.C of the Franchise Agreement is hereby amended to limit the Insufficient Funds Charge to \$30 per occurrence pursuant to Minnesota Statute 604.113.
10. 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.

## **NEW YORK**

1. The following information is added to the cover page of the Franchise Disclosure Document:

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN 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 CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

2. The following is 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 ten-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation, or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any



other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the “Summary” sections of Item 17(c), titled “**Requirements for franchisee to renew or extend**,” and Item 17(m), entitled “**Conditions for franchisor approval of transfer**:”

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “**Termination by franchisee**”: You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled “**Choice of forum**,” and Item 17(w), titled “**Choice of law**:”

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York.

6. 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.

7. 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.

## **NORTH DAKOTA**

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring that you sign a general release, estoppel or waiver as a condition of renewal and/or assignment may not be enforceable as they relate to releases of the North Dakota Franchise Investment Law.

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

The Commissioner has held that requiring franchisees to consent to the jurisdiction of courts outside of North Dakota is unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, provisions of the FDD (including Item 17(v)), the Franchise Agreement (including Sections XXIII and XXIV.K), and the Supplemental Agreements



relating to choice of law may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to liquidated damages and/or termination penalties may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Section XXIV.I of the Franchise Agreement requires the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The Commissioner has determined this to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. This provision is hereby amended to state that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

Section XXIV.M of the Franchise Agreement requires the franchisee to consent to a limitation of claims within one year. The Commissioner has determined this to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. This provision is hereby amended to state the statute of limitations under North Dakota law will apply.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Item 17(r) of the FDD and Section XVII.A of the Franchise Agreement disclose the existence of certain covenants restricting competition to which Franchisee must agree. The Commissioner has held that covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The FDD and the Franchise Agreement are amended accordingly to the extent required by 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.

#### Fee Deferral

Items 5 and 7 of the Franchise Disclosure Document and Section 3 of the Franchise Agreement regarding payment of the initial franchise fee are amended to state that the franchise fee will be deferred until all initial obligations owed to the Franchisee by the Franchisor have been fulfilled and the franchisee has commenced doing business pursuant to the Franchise Agreement.



## **OHIO**

The following language will be added to the front page of the Franchise Agreement:

You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

Initials \_\_\_\_\_ Date \_\_\_\_\_

### **NOTICE OF CANCELLATION**

\_\_\_\_\_ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five (5) business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten (10) business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Freedom Franchise Systems, LLC, 10975 Hughey Kimal Drive, Venice, FL 34292, not later than midnight of the fifth business day after the Effective Date.

I hereby cancel this transaction.

Franchisee:

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

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

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

Its: \_\_\_\_\_

## **RHODE ISLAND**

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act." The FDD, the Franchise Agreement, and the Supplemental Agreements are amended accordingly to the extent required by law.

The above language has been included in this FDD as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement and the Supplemental Agreements, 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, the Supplemental Agreements, and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.



No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## **SOUTH DAKOTA**

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## **VIRGINIA**

Item 17(h). The following is added to Item 17(h):

“Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement or Supplemental Agreements involve the use of undue influence by the Franchisor to induce a franchisee to surrender any rights given to franchisee under the Franchise, that provision may not be enforceable.”

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the FDD for Freedom Franchise Systems, LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 8 and Item 17.h.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## **WASHINGTON**

### **WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS**





The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).



10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor.

As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and





is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

\_\_\_\_\_  
Signature of Franchisor Representative

\_\_\_\_\_  
Signature of Franchisee Representative

\_\_\_\_\_  
Title of Franchisor Representative

\_\_\_\_\_  
Title of Franchisee Representative

### **WISCONSIN**

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

*(Signatures on following page)*



### **APPLICABLE ADDENDA**

If any one of the preceding Addenda for specific states (“**Addenda**”) is checked as an “Applicable Addenda” below, then that Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement and any other specified agreement(s) entered into by us and the undersigned Franchisee. To the extent any terms of an Applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement and other specified agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement.

|                          |            |                          |              |                          |              |
|--------------------------|------------|--------------------------|--------------|--------------------------|--------------|
| <input type="checkbox"/> | California | <input type="checkbox"/> | Michigan     | <input type="checkbox"/> | Rhode Island |
| <input type="checkbox"/> | Hawaii     | <input type="checkbox"/> | Minnesota    | <input type="checkbox"/> | South Dakota |
| <input type="checkbox"/> | Illinois   | <input type="checkbox"/> | New York     | <input type="checkbox"/> | Virginia     |
| <input type="checkbox"/> | Iowa       | <input type="checkbox"/> | North Dakota | <input type="checkbox"/> | Washington   |
| <input type="checkbox"/> | Indiana    | <input type="checkbox"/> | Ohio         | <input type="checkbox"/> | Wisconsin    |
| <input type="checkbox"/> | Maryland   |                          |              |                          |              |

Dated: \_\_\_\_\_, 20\_\_\_\_

#### **FRANCHISOR:**

FREEDOM FRANCHISE SYSTEMS, LLC

|               |
|---------------|
| Sign:         |
| Printed Name: |
| Title:        |

#### **FRANCHISEE:**

\_\_\_\_\_

|               |
|---------------|
| Sign:         |
| Printed Name: |
| Title:        |

Rev. 112025



**EXHIBIT F**

**LIST OF CURRENT AND FORMER FRANCHISEES**



### **Current Franchisees as of December 31, 2025:**

| First Name | Last Name | Entity Name                           | Address                            | City              | State | Zip Code | Phone          | E-mail                               |
|------------|-----------|---------------------------------------|------------------------------------|-------------------|-------|----------|----------------|--------------------------------------|
| Russell    | Atkinson  | Nautical Options, LLC                 | 450 Ridge Marina Rd                | Alexander City    | AL    | 35010    | (601) 421-5181 | ratkinson@freedomboatclub.com        |
| Russell    | Atkinson  | Nautical Options, LLC                 | 831 N. Section Street              | Fairhope          | AL    | 36532    | (208) 818-1005 | ratkinson@freedomboatclub.com        |
| Russell    | Atkinson  | Nautical Options, LLC                 | 335 Waterway W Blvd                | Gulf Shores       | AL    | 36542    | (601) 421-5181 | ratkinson@freedomboatclub.com        |
| Jonathan   | Gibbs     | 3 Buoys Boat Club LLC                 | 301 Scott St.                      | Guntersville      | AL    | 35976    | (713) 385-7413 | jonathan.gibbs@freedomboatclub.com   |
| Russell    | Atkinson  | Nautical Options, LLC                 | 27844 Canal Road                   | Orange Beach      | AL    | 36561    | (208) 818-1005 | ratkinson@freedomboatclub.com        |
| Allison    | Anderson  | Arkansas Boat Club, LLC               | 4285 Hwy 330 S, Shirley AR 72153   | Fairfield Bay     | AR    | 72153    | (501) 269-0113 | allison.anderson@freedomboatclub.com |
| Wesley     | Dowdy     | Arkansas Boat Club, LLC               | 301 Lakeland Drive                 | Hot Springs       | AR    | 71913    | (501) 525-7776 | allison.anderson@freedomboatclub.com |
| Allison    | Anderson  | Arkansas Boat Club, LLC               | 1600 Rockwater Blvd.               | North Little Rock | AR    | 72114    | (214) 799-4914 | allison.anderson@freedomboatclub.com |
| Dan        | Hasbrouck | Golden State Boats, Inc.              | 640 Marina Pkwy                    | Chula Vista       | CA    | 91910    | (619) 981-2628 | dhasbrouck@freedomboatclub.com       |
| Robert     | Fassett   | RBF Marine Holdings                   | 3310 Powell St.                    | Emeryville        | CA    | 94608    | (209) 531-6996 | rfassett@freedomboatclub.com         |
| Andrew     | Hard      | Surf City Boats, Inc.                 | 16360 Pacific Coast Hwy, Suite 216 | Huntington Beach  | CA    | 92649    | (407) 493-8335 | andrew@freedomboatclub.com           |
| Andrew     | Hard      | Surf City Boats, Inc.                 | 13524 Bali Way                     | Marina Del Rey    | CA    | 90292    | (407) 493-8335 | andrew@freedomboatclub.com           |
| Andrew     | Hard      | Surf City Boats, Inc.                 | 201 East Coast Hwy                 | Newport Beach     | CA    | 92660    | (949) 721-0111 | Andrew@freedomboatclub.com           |
| Dan        | Hasbrouck | Golden State Boats, Inc.              | 300 North Coast Hwy                | Oceanside         | CA    | 92054    | (619) 981-2628 | dhasbrouck@freedomboatclub.com       |
| Dan        | Hasbrouck | Channel Islands Marine Services, Inc. | 3001 Peninsula Road                | Oxnard            | CA    | 93035    | (619) 981-2628 | dhasbrouck@freedomboatclub.com       |
| Andrew     | Hard      | Surf City Boats, Inc.                 | 555 N. Harbor Drive                | Redondo Beach     | CA    | 90277    | (407) 493-8335 | andrew@freedomboatclub.com           |
| Rob        | Fassett   | RBF Marine Holdings                   | 2701 Ramp Way                      | Sacramento        | CA    | 95818    | (209) 279-9775 | rfassett@freedomboatclub.com         |
| Dan        | Hasbrouck | Golden State Boats, Inc.              | 2620 Ingraham Street               | San Diego         | CA    | 92109    | (619) 981-2628 | dhasbrouck@freedomboatclub.com       |
| Dan        | Hasbrouck | Golden State Boats, Inc.              | 1880 Harbor Island Drive           | San Diego         | CA    | 92101    | (619) 981-2628 | dhasbrouck@freedomboatclub.com       |
| Dan        | Hasbrouck | Golden State Boats, Inc.              | 1677 Quivira Road                  | San Diego         | CA    | 92109    | (619) 224-6807 | dhasbrouck@freedomboatclub.com       |
| Andrew     | Hard      | Surf City Boats, Inc.                 | 2293 Miner Street                  | San Pedro         | CA    | 90731    | (407) 493-8335 | Andrew@freedomboatclub.com           |
| Robert     | Fassett   | RBF Marine Holdings                   | 310 Harbor Drive                   | Sausalito         | CA    | 94965    | (209) 531-6996 | rfassett@freedomboatclub.com         |
| Robert     | Fassett   | RBF Marine Holdings                   | 6649 Embarcadero Drive             | Stockton          | CA    | 95219    | (209) 531-6996 | rfassett@freedomboatclub.com         |
| Dan        | Hasbrouck | Channel Islands Marine Services, Inc. | 1363 Spinnaker Drive               | Ventura           | CA    | 93001    | (619) 981-2628 | dhasbrouck@freedomboatclub.com       |
| Tom        | Rosella   | Delaware Adventures, Inc.             | 3000 Summit Harbour Place          | Bear              | DE    | 19701    | (908) 872-8715 | trosella@freedomboatclub.com         |
| Tom        | Rosella   | Delaware Adventures, Inc.             | 115 Rodney Ave                     | Dewey Beach       | DE    | 19971    | (908) 872-8715 | trosella@freedomboatclub.com         |



| First Name | Last Name | Entity Name                              | Address                       | City               | State | Zip Code | Phone          | E-mail                        |
|------------|-----------|------------------------------------------|-------------------------------|--------------------|-------|----------|----------------|-------------------------------|
| Tom        | Rosella   | Delaware Adventures, Inc.                | 909 Pilottown Road            | Lewes              | DE    | 19958    | (841) 937-6036 | trosella@freedomboatclub.com  |
| Tom        | Rosella   | Delaware Adventures, Inc.                | 20834 Boat Hole BLVD          | Lewes              | DE    | 19958    | (908) 872-8715 | trosella@freedomboatclub.com  |
| Tom        | Rosella   | Delaware Adventures, Inc.                | 400 Anglers Road              | Lewes              | DE    | 19958    | (908) 872-8715 | trosella@freedomboatclub.com  |
| Tom        | Rosella   | Delaware Adventures, Inc.                | 43 Cape Henlopen Drive        | Lewes              | DE    | 19958    | (908) 872-8715 | trosella@freedomboatclub.com  |
| Tom        | Rosella   | Delaware Adventures, Inc.                | 34026 Anna's Way, Suite 1     | Long Neck          | DE    | 19966    | (908) 872-8715 | trosella@freedomboatclub.com  |
| Tom        | Rosella   | FWBC, LLC                                | 1492 4th Street SE            | Washington         | DC    | 20003    | (240) 286-6239 | trosella@freedomboatclub.com  |
| Tom        | Rosella   | FWBC, LLC                                | 1300 Maine Ave SW             | Washington         | DC    | 20024    | (908) 872-8715 | trosella@freedomboatclub.com  |
| Bobby      | Parker    | Parker Boat Club, LLC                    | 1575 FL-40                    | Astor              | FL    | 32102    | (407) 913-4020 | bparker@freedomboatclub.com   |
| Chris      | Kelly     | Life on the Water, Inc.                  | 800 Scallop Drive             | Cape Canaveral     | FL    | 32920    | (321) 276-2988 | ckelly@freedomboatclub.com    |
| Bobby      | Parker    | Parker Boat Club, LLC                    | 125 Basin St. Suite# 105      | Daytona Beach      | FL    | 32114    | (407) 913-4020 | bparker@freedomboatclub.com   |
| Russell    | Atkinson  | Nautical Options, LLC                    | 1201 Miracle Strip Pkwy SE    | Fort Walton Beach  | FL    | 32548    | (850) 218-6381 | ratkinson@freedomboatclub.com |
| Russell    | Atkinson  | Nautical Options, LLC                    | 116 Shipyard Rd               | Freeport           | FL    | 32439    | (601) 421-5181 | ratkinson@freedomboatclub.com |
| Donald     | Spaeth    | Fun in the Sun Boating, LLC              | 100 Avenue A                  | Ft. Pierce         | FL    | 34950    | (845) 489-2707 | aspaeth@freedomboatclub.com   |
| Russell    | Atkinson  | Nautical Options, LLC                    | 47 Gulf Breeze Parkway        | Gulf Breeze        | FL    | 32561    | (251) 979-0086 | ratkinson@freedomboatclub.com |
| Kevin      | Seelig    | Affordable Boating of North Florida, LLC | 12807 San Jose Blvd           | Jacksonville       | FL    | 32223    | (904) 599-5789 | kseelig@freedomboatclub.com   |
| Kevin      | Seelig    | Affordable Boating of North Florida, LLC | 12796 San Jose Blvd.          | Jacksonville       | FL    | 32223    | (904) 599-5789 | kseelig@freedomboatclub.com   |
| Kevin      | Seelig    | Affordable Boating of North Florida, LLC | 2315 Beach Blvd.              | Jacksonville Beach | FL    | 32250    | (904) 599-5789 | kseelig@freedomboatclub.com   |
| Chris      | Kelly     | Life on the Water, Inc.                  | 3705 Big Bass Rd.             | Kissimmee          | FL    | 34744    | (321) 276-2988 | ckelly@freedomboatclub.us     |
| Chris      | Kelly     | Life on the Water, Inc.                  | 6075 N. US HWY 1              | Melbourne          | FL    | 32940    | (321) 276-2988 | ckelly@freedomboatclub.com    |
| Chris      | Kelly     | Life on the Water, Inc.                  | 1357 South Banana River Drive | Merritt Island     | FL    | 32952    | (321) 276-2984 | ckelly@freedomboatclub.com    |
| Chris      | Kelly     | Life on the Water, Inc.                  | 310 Lagoon Way                | Merritt Island     | FL    | 32953    | (321) 276-2988 | ckelly@freedomboatclub.com    |
| Bobby      | Parker    | Parker Boat Club, LLC                    | 177 N. Causeway               | New Smyrna         | FL    | 32169    | (407) 913-4020 | bparker@freedomboatclub.com   |
| Russell    | Atkinson  | Nautical Options, LLC                    | 290 Yacht Club Drive          | Niceville (Destin) | FL    | 32578    | (850) 218-6381 | ratkinson@freedomboatclub.com |
| Chris      | Kelly     | Life on the                              | 4220 Dixie                    | Palm Bay           | FL    | 32905    | (321) 276-     | ckelly@freedomboatclub.com    |



| First Name | Last Name | Entity Name                              | Address                              | City              | State | Zip Code | Phone          | E-mail                           |
|------------|-----------|------------------------------------------|--------------------------------------|-------------------|-------|----------|----------------|----------------------------------|
|            |           | Water, Inc.                              | Highway NE                           |                   |       |          | 2988           | om                               |
| Bobby      | Parker    | Parker Boat Club, LLC                    | 102 Yacht Harbor Drive               | Palm Coast        | FL    | 32137    | (407) 913-4020 | bparker@freedomboatclub.com      |
| Russell    | Atkinson  | Nautical Options, LLC                    | 5325 N Lagoon Drive                  | Panama City       | FL    | 32408    | (251) 979-0086 | ratkinson@freedomboatclub.com    |
| Russell    | Atkinson  | Nautical Options, LLC                    | 655 Pensacola Beach Blvd.            | Pensacola         | FL    | 32561    | (251) 979-0086 | ratkinson@freedomboatclub.com    |
| Russell    | Atkinson  | Nautical Options, LLC                    | 14050 Canal A Way                    | Pensacola         | FL    | 32507    | (251) 979-0086 | ratkinson@freedomboatclub.com    |
| Bobby      | Parker    | Parker Boat Club, LLC                    | 3948 South Peninsula Drive           | Port Orange       | FL    | 32127    | (407) 913-4020 | bparker@freedomboatclub.com      |
| Russell    | Atkinson  | Nautical Options, LLC                    | 340 Marina DR                        | Port St. Joe      | FL    | 32456    | (601) 421-5181 | ratkinson@freedomboatclub.com    |
| Don        | Spaeth    | Fun in the Sun Boating, LLC              | 3500 SE Morningside Blvd             | Port St. Lucie    | FL    | 34952    | (845) 489-2707 | dspaeth@freedomboatclub.com      |
| Bobby      | Parker    | Parker Boat Club, LLC                    | 4370 Carraway Place                  | Sanford           | FL    | 32771    | (407) 913-4020 | bparker@freedomboatclub.com      |
| Chris      | Kelly     | Life on the Water, Inc.                  | 8525 U.S. HWY 1                      | Sebastian         | FL    | 32976    | (321) 276-2988 | ckelly@freedomboatclub.com       |
| Chris      | Kelly     | Life on the Water, Inc.                  | 412 Indian River Drive               | Sebastian         | FL    | 32958    | (321) 276-2988 | ckelly@freedomboatclub.com       |
| Kevin      | Seelig    | Affordable Boating of North Florida, LLC | 3060 Harbor Drive                    | St. Augustine     | FL    | 32084    | (904) 599-5789 | kseelig@freedomboatclub.com      |
| Kevin      | Seelig    | Affordable Boating of North Florida, LLC | 76 Dockside Drive Unit 105           | St. Augustine     | FL    | 32084    | (904) 599-5789 | kseelig@freedomboatclub.com      |
| Chris      | Kelly     | Life on the Water, Inc.                  | 419 N. Washington Ave.               | Titusville        | FL    | 32796    | (321) 276-2988 | ckelly@freedomboatclub.com       |
| Chris      | Kelly     | Life on the Water, Inc.                  | 1221 Marina Village Circle           | Vero Beach        | FL    | 32967    | (321) 276-2988 | ckelly@freedomboatclub.com       |
| Wesley     | Dowdy     | Ridges Marina Boat Club, LLC             | 1733 Murphy HWY                      | Blairsville       | GA    | 30512    | (678) 918-6800 | wesley.dowdy@freedomboatclub.com |
| Deano      | Cantrell  | Luv2Boat, Inc.                           | 144 Collis Marina Road (Lake Oconee) | Eatonton          | GA    | 31024    | (404) 630-6128 | dcantrell@freedomboatclub.com    |
| Deano      | Cantrell  | Luv2Boat, Inc.                           | 2541 Carey Station Rd                | Greensboro        | GA    | 30642    | (678) 516-8254 | dcantrell@freedomboatclub.com    |
| Wesley     | Dowdy     | Ridges Marina Boat Club, LLC             | 3379 US 76                           | Hiawassee         | GA    | 30546    | (678) 918-6800 | Wesley.Dowdy@freedomboatclub.com |
| Lucy       | Bowie     | Dunbar Boat Club, LLC                    | 115 Marina Drive                     | St. Simons Island | GA    | 31522    | (912) 222-2443 | ssi@freedomboatclub.com          |
| Shane      | Fuller    | North Idaho Boat Club, LLC               | 3830 E. Hayden Lake Road             | Hayden Lake       | ID    | 83835    | (208) 620-8621 | shane.fuller@freedomboatclub.com |
| Shane      | Fuller    | North Idaho Boat Club, LLC               | 415 W. Waterside Drive               | Post Falls        | ID    | 83853    | (208) 772-3255 | shane.fuller@freedomboatclub.com |
| Tom        | Armon     | Equity Boat Works, LLC                   | 701 Casino Center DR                 | Hammond           | IN    | 46320    | (847) 436-7409 | tarmon@freedomboatclub.com       |
| Tom        | Armon     | Equity Boat Works, LLC                   | 31 Lake Shore Drive                  | Michigan City     | IN    | 46360    | 000000000      | tarmon@freedomboatclub.com       |
| Tom        | Armon     | Equity Boat Works, LLC                   | 13100 East Jefferson                 | Mishawaka         | IN    | 46545    | (847) 436-7409 | tarmon@freedomboatclub.com       |



| First Name | Last Name | Entity Name            | Address                    | City              | State | Zip Code | Phone          | E-mail                           |
|------------|-----------|------------------------|----------------------------|-------------------|-------|----------|----------------|----------------------------------|
| Tom        | Armon     | Equity Boat Works, LLC | 6159 S. Dunes Harbor Drive | Portage           | IN    | 46368    | (847) 436-7409 | tarmon@freedomboatclub.com       |
| Jake       | Kopriva   | LTBC, LLC              | 1603 South Shore Dr.       | Clear Lake        | IA    | 50128    | (641) 231-1414 | Jake.Kopriva@freedomboatclub.com |
| Jake       | Kopriva   | LTBC LLC               | 2491 170th Street          | Spirit Lake       | IA    | 51360    | (641) 231-1414 | jake.kopriva@freedomboatclub.com |
| Russell    | Atkinson  | Nautical Options, LLC  | 100 Marina Del Ray Drive   | Madisonville      | LA    | 70447    | (251) 979-0086 | ratkinson@freedomboatclub.com    |
| Steve      | Arnold    | Maine Watersports, LLC | 92 Wall Point RD           | Boothbay Harbor   | ME    | 04538    | (207) 232-5792 | sarnold@freedomboatclub.com      |
| Steven     | Arnold    | Maine Watersports, LLC | 261 Point Sebago Rd        | Casco             | ME    | 04015    | (207) 232-5792 | sarnold@freedomboatclub.com      |
| Steve      | Arnold    | Maine Watersports, LLC | 4 Doanes Wharf Road        | Kennebunk         | ME    | 04043    | (207) 232-5892 | sarnold@freedomboatclub.com      |
| Steven     | Arnold    | Maine Watersports, LLC | 32 Moose Landing Trail     | Naples            | ME    | 04055    | (207) 846-9050 | sarnold@freedomboatclub.com      |
| Steven     | Arnold    | Maine Watersports, LLC | 58 Fore Street             | Portland          | ME    | 04101    | (207) 846-9050 | sarnold@freedomboatclub.com      |
| Steven     | Arnold    | Maine Watersports, LLC | 72 Layfayette Street       | Yarmouth          | ME    | 04096    | (207) 846-9050 | sarnold@freedomboatclub.com      |
| Tom        | Rosella   | FWBC, LLC              | 1000 Fairwinds Drive       | Annapolis         | MD    | 21409    | (240) 286-6239 | trosella@freedomboatclub.com     |
| Tom        | Rosella   | FWBC, LLC              | 655 Americana Drive        | Annapolis         | MD    | 21403    | (908) 872-8715 | trosella@freedomboatclub.com     |
| Tom        | Rosella   | FWBC, LLC              | 980 Awald Rd               | Annapolis         | MD    | 21403    | (908) 872-8715 | trosella@freedomboatclub.com     |
| Tom        | Rosella   | FWBC, LLC              | 2116 Bay Front Terrace     | Annapolis         | MD    | 21409    | (908) 872-8715 | trosella@freedomboatclub.com     |
| Tom        | Rosella   | FWBC, LLC              | 321 E Cromwell St          | Baltimore         | MD    | 21230    | (908) 872-8715 | trosella@freedomboatclub.com     |
| Tom        | Rosella   | FWBC, LLC              | 301 Tackle Circle          | Chester           | MD    | 21619    | (240) 286-6239 | trosella@freedomboatclub.com     |
| Tom        | Rosella   | FWBC, LLC              | 5910 Vacation Ln           | Deale             | MD    | 20751    | (908) 872-8715 | trosella@freedomboatclub.com     |
| Tom        | Rosella   | FWBC, LLC              | 64 Old South River RD      | Edgewater         | MD    | 21037    | (908) 872-8715 | trosella@freedomboatclub.com     |
| Tom        | Rosella   | FWBC, LLC              | 2015 Turkey Point Road     | Essex             | MD    | 21221    | (240) 286-6239 | trosella@freedomboatclub.com     |
| Tom        | Rosella   | FWBC, LLC              | 168 National Plaza         | Oxon Hill         | MD    | 20745    | (240) 286-6239 | trosella@freedomboatclub.com     |
| Jon        | Kearney   | Leroy Brown Marine LLC | 126 Pleasant Valley Rd     | Amesbury          | MA    | 01913    | (978) 204-5604 | jon.kearney@freedomboatclub.com  |
| Matt       | Carrick   | The Carrick Group, LLC | 43 Water St                | Beverly (Danvers) | MA    | 01915    | (617) 320-3489 | mcarrick@freedomboatclub.com     |
| Matt       | Carrick   | The Carrick Group, LLC | 1 Marina Park Drive        | Boston            | MA    | 02210    | (617) 320-3489 | mcarrick@freedomboatclub.com     |
| Matt       | Carrick   | The Carrick Group, LLC | 3 Green Street             | Buzzards Bay      | MA    | 02532    | (617) 320-3489 | mcarrick@freedomboatclub.com     |
| Matt       | Carrick   | The Carrick Group, LLC | 1 Shipyard Lane            | Cataumet          | MA    | 02534    | (617) 320-3489 | mcarrick@freedomboatclub.com     |
| Matt       | Carrick   | The Carrick Group, LLC | 1 Pier 8, 13th St          | Charlestown       | MA    | 02129    | (617) 320-3489 | mcarrick@freedomboatclub.com     |
| Matt       | Carrick   | The Carrick            | 83 Seagull Road            | Chatham           | MA    | 02633    | (617) 320-     | mcarrick@freedomboatclub.com     |





| First Name | Last Name | Entity Name                                     | Address                   | City              | State | Zip Code | Phone          | E-mail                           |
|------------|-----------|-------------------------------------------------|---------------------------|-------------------|-------|----------|----------------|----------------------------------|
|            |           | Group, LLC                                      |                           |                   |       |          | 3489           | b.com                            |
| Matt       | Carrick   | The Carrick Group, LLC                          | 256 Marginal Street       | East Boston       | MA    | 02128    | (617) 320-3489 | mcarrick@freedomboatclub.com     |
| Matt       | Carrick   | The Carrick Group, LLC                          | 357 Sesuit Neck Road      | East Dennis       | MA    | 02641    | (617) 320-3489 | mcarrick@freedomboatclub.com     |
| Matt       | Carrick   | The Carrick Group, LLC                          | 110 Middle St             | Fairhaven         | MA    | 02719    | (617) 320-3489 | mcarrick@freedomboatclub.com     |
| Matt       | Carrick   | The Carrick Group, LLC                          | 1 Ferry St                | Fall River        | MA    | 02721    | (617) 320-3489 | mcarrick@freedomboatclub.com     |
| Matt       | Carrick   | The Carrick Group, LLC                          | 366 Menauhant Road        | Falmouth          | MA    | 02536    | (617) 320-3489 | mcarrick@freedomboatclub.com     |
| Matt       | Carrick   | The Carrick Group, LLC                          | 24 Shipyard Drive         | Hingham           | MA    | 02043    | (617) 320-3489 | mcarrick@freedomboatclub.com     |
| Matt       | Carrick   | The Carrick Group, LLC                          | 2 A Street                | Hull              | MA    | 02045    | (617) 320-3489 | mcarrick@freedomboatclub.com     |
| Matt       | Carrick   | The Carrick Group, LLC                          | 239 Dyke Road             | Marshfield        | MA    | 02041    | (617) 320-3489 | mcarrick@freedomboatclub.com     |
| Jon        | Kearney   | Leroy Brown Marine LLC                          | 386 Merrimac Street       | Newburyport       | MA    | 01950    | (978) 204-5604 | jon.kearney@freedomboatclub.com  |
| Matt       | Carrick   | The Carrick Group, LLC                          | 14 Union Street           | Plymouth          | MA    | 02360    | (617) 320-3489 | mcarrick@freedomboatclub.com     |
| Matt       | Carrick   | The Carrick Group, LLC                          | 9 Ryder Street Ext        | Provincetown      | MA    | 02657    | (617) 320-3489 | mcarrick@freedomboatclub.com     |
| Matt       | Carrick   | The Carrick Group, LLC                          | 333 Victory Rd            | Quincy            | MA    | 02171    | (617) 320-3489 | mcarrick@freedomboatclub.com     |
| Matt       | Carrick   | The Carrick Group, LLC                          | 206 Front Street          | Scituate          | MA    | 02066    | (617) 320-3489 | mcarrick@freedomboatclub.com     |
| Matt       | O'Connor  | The Carrick Group, LLC                          | 1 Alvord ST               | South Hadley      | MA    | 01075    | (617) 320-3489 | moconnor@freedomboatclub.com     |
| Matt       | Carrick   | The Carrick Group, LLC                          | 140 Main Street, Route 28 | West Dennis       | MA    | 02670    | (617) 320-3489 | mcarrick@freedomboatclub.com     |
| Matt       | Carrick   | The Carrick Group, LLC                          | 17 Neptune Lane - Box 370 | Yarmouth          | MA    | 02664    | (617) 320-3489 | mcarrick@freedomboatclub.com     |
| Steven     | Dobreff   | DX2, LLC                                        | 1999 Pointe Tremble Rd    | Algonac           | MI    | 48001    | (586) 873-7791 | sdobreff@freedomboatclub.com     |
| Charlie    | Card      | Boating Hassle Free, LLC                        | 600 Marquette St          | Bay City          | MI    | 48706    | (989) 230-9362 | charlie.card@freedomboatclub.com |
| Steven     | Dobreff   | DX2, LLC                                        | 100 St. Clair Street      | Detroit           | MI    | 48214    | (586) 329-9146 | sdobreff@freedomboatclub.com     |
| Tom        | Armon     | Equity Boat Works, LLC                          | 216 St. Peters Drive      | Douglas           | MI    | 49406    | (847) 436-7409 | tarmon@freedomboatclub.com       |
| Drew       | Goss      | Boathouse Capital Partners Holding Company, LLC | 1719 Pennoyer Ave.        | Grand Haven       | MI    | 49417    | (616) 215-2278 | dgoss@freedomboatclub.com        |
| Steven     | Dobreff   | DX2, LLC                                        | 32475 S River Rd          | Harrison Township | MI    | 48045    | (586) 873-7791 | sdobreff@freedomboatclub.com     |
| Tom        | Armon     | Equity Boat Works, LLC                          | 1866 Ottawa Beach Rd      | Holland           | MI    | 49424    | (847) 436-7409 | tarmon@freedomboatclub.com       |
| Drew       | Goss      | Boathouse Capital Partners Holding Company, LLC | 1204 W Western Ave        | Muskegon          | MI    | 49441    | (616) 215-2278 | dgoss@freedomboatclub.com        |
| Tom        | Armon     | Equity Boat Works, LLC                          | 2422 Patterson Road       | Shelbyville       | MI    | 49344    | (847) 436-7409 | tarmon@freedomboatclub.com       |
| Tom        | Armon     | Equity Boat Works, LLC                          | 123 Dunkley Avenue        | South Haven       | MI    | 49090    | (847) 436-7409 | tarmon@freedomboatclub.com       |





| First Name | Last Name | Entity Name                       | Address                  | City            | State | Zip Code | Phone          | E-mail                            |
|------------|-----------|-----------------------------------|--------------------------|-----------------|-------|----------|----------------|-----------------------------------|
| Steven     | Dobreff   | DX2, LLC                          | 24600 Jefferson Ave      | St Clair Shores | MI    | 48080    | (586) 873-7791 | sdobreff@freedomboatclub.com      |
| Tom        | Armon     | Equity Boat Works, LLC            | 800 Whitwam Drive        | St. Joseph      | MI    | 49085    | (847) 436-7409 | tarmon@freedomboatclub.com        |
| Russell    | Atkinson  | Nautical Options, LLC             | 119 Beach Boulevard      | Biloxi          | MS    | 39530    | (251) 979-0086 | ratkinson@freedomboatclub.com     |
| Dan        | Kettelson | Makin Waves LOTO, LLC             | 3443 Indian Point Marina | Branson         | MO    | 65616    | (251) 979-0086 | dan.kettelson@freedomboatclub.com |
| KC         | Kettelson | Makin Waves LOTO, LLC             | 1810 Hideaway Road       | Galena          | MO    | 65656    | (573) 745-1824 | kcettelsonfbc@gmail.com           |
| KC         | Kettelson | Makin Waves LOTO, LLC             | 6515 Chalet Drive        | Osage Beach     | MO    | 65065    | (573) 745-1824 | kcettelsonfbc@gmail.com           |
| Dan        | Kettelson | Makin Waves LOTO, LLC             | 5898 Washeon Rd          | St. Charles     | MO    | 63301    | (251) 979-0086 | dan.kettelson@freedomboatclub.com |
| Kyle       | Gassman   | Lake Life Enterprises, Inc.       | 18 Endicott St N         | Laconia         | NH    | 03246    | (207) 251-0053 | kyle.gassman@freedomboatclub.com  |
| Jon        | Kearney   | Sagamore Creek Marine Group, Inc. | 61 Beane Lane            | Newington       | NH    | 03801    | (978) 499-0899 | jon.kearney@freedomboatclub.com   |
| Jon        | Kearney   | Sagamore Creek Marine Group, Inc. | 955 Sagamore Avenue      | Portsmouth      | NH    | 03801    | (978) 387-5992 | jon.kearney@freedomboatclub.com   |
| Tom        | Rosella   | Liberty Adventures, LLC           | Alpine Approach Rd       | Alpine          | NJ    | 07620    | (908) 872-8715 | trosella@freedomboatclub.com      |
| Matt       | Carrick   | M & M Jersey Marine, LLC          | 525 2nd St.              | Beach Haven     | NJ    | 08008    | (617) 320-3489 | mcarrick@freedomboatclub.com      |
| Matt       | Carrick   | M & M Jersey Marine, LLC          | 29 Mantoloking Rd        | Brick           | NJ    | 08723    | (617) 320-3489 | mcarrick@freedomboatclub.com      |
| Tom        | Rosella   | Delaware Adventures, Inc.         | 124 Rosemans Lane        | Cape May        | NJ    | 08204    | (908) 872-8715 | trosella@freedomboatclub.com      |
| Tom        | Rosella   | Delaware Adventures, Inc.         | 67 St. Mihiel Drive      | Delran          | NJ    | 08075    | (908) 872-8715 | trosella@freedomboatclub.com      |
| Anthony    | Viola     | AMD Motor Sports LLC              | 254 Lakeside Rd          | Hewitt          | NJ    | 07421    | (843) 614-1808 | anthony.viola@freedomboatclub.com |
| Matt       | Carrick   | M & M Jersey Marine, LLC          | 357 West Front St.       | Keyport         | NJ    | 07735    | (617) 320-3489 | mcarrick@freedomboatclub.com      |
| Matt       | Carrick   | M & M Jersey Marine, LLC          | 700 Barramore Ave        | Lanoka Harbor   | NJ    | 08734    | (617) 320-3489 | mcarrick@freedomboatclub.com      |
| Matt       | Carrick   | M & M Jersey Marine, LLC          | 2200 E. Bay AVE          | Manahawkin      | NJ    | 08050    | (617) 320-3489 | mcarrick@freedomboatclub.com      |
| Matt       | Carrick   | M & M Jersey Marine, LLC          | 33 West Street           | Monmouth Beach  | NJ    | 07750    | (617) 320-3489 | mcarrick@freedomboatclub.com      |
| Tom        | Rosella   | Delaware Adventures, Inc.         | 5724 N. Route 9          | New Gretna      | NJ    | 08224    | (908) 872-8715 | trosella@freedomboatclub.com      |
| Matt       | Carrick   | M & M Jersey Marine, LLC          | 4000 River Road          | Point Pleasant  | NJ    | 08742    | (617) 320-3489 | mcarrick@freedomboatclub.com      |
| Tom        | Rosella   | Delaware Adventures, Inc.         | 14 Old Sea Isle Blvd     | Sea Isle City   | NJ    | 08243    | (908) 872-8715 | trosella@freedomboatclub.com      |
| Tom        | Rosella   | Delaware Adventures, Inc.         | 97 Mays Landing Road     | Somers Point    | NJ    | 08244    | (908) 872-8715 | trosella@freedomboatclub.com      |
| Tom        | Rosella   | Delaware Adventures, Inc.         | 660 Bay Ave.             | Somers Point    | NJ    | 08244    | (908) 872-8715 | trosella@freedomboatclub.com      |



| First Name | Last Name   | Entity Name                   | Address                          | City                   | State | Zip Code | Phone          | E-mail                              |
|------------|-------------|-------------------------------|----------------------------------|------------------------|-------|----------|----------------|-------------------------------------|
|            |             | Inc.                          |                                  |                        |       |          |                |                                     |
| Matt       | Carrick     | M & M Jersey Marine, LLC      | 1 Crabbe Road                    | Toms River             | NJ    | 08757    | (617) 320-3489 | mcarrick@freedomboatclub.com        |
| Matt       | Carrick     | M & M Jersey Marine, LLC      | 2 Point Rd.                      | Waretown               | NJ    | 08758    | (617) 320-3489 | mcarrick@freedomboatclub.com        |
| Dylan      | Brawn       | Twin Tiers Boat Club, LLC     | 3979 NY-430                      | Bemus Point            | NY    | 14712    | (716) 474-6397 | dylan.brawn@freedomboatclub.com     |
| Matt       | O'Hara      | Assembly Point Boating Corp   | 47 Sagamore RD                   | Bolton Landing         | NY    | 12814    | (845) 642-0201 | mohara@freedomboatclub.com          |
| Zach       | Lutz        | Twin Tiers Boat Club, LLC     | 1111 Fuhrmann Blvd.              | Buffalo                | NY    | 14203    | (716) 465-7060 | zach.lutz@freedomboatclub.com       |
| Peter      | Coons       | FLX Boating LLC               | 811 S. Main Street               | Canandaigua            | NY    | 14424    | (585) 802-6448 | pcoons@freedomboatclub.com          |
| John       | Rubens      | FLX Boating LLC               | Park Road                        | Seneca Lake State Park | NY    | 14456    | (401) 474-9522 | jrubens@freedomboatclub.com         |
| Matt       | O'Hara      | Assembly Point Boating Corp   | 10 Dunhams Bay Road              | Lake George            | NY    | 12845    | (845) 642-0201 | mohara@freedomboatclub.com          |
| Adam       | Retersdorf  | Savannastasia Boating GLS LLC | 275 Lakeside Dr.                 | Mayfield               | NY    | 12117    | (518) 332-5126 | Adam.Retersdorf@freedomboatclub.com |
| Tom        | Rosella     | Liberty Adventures, LLC       | 46 Westerly Road                 | Ossining               | NY    | 10562    | (841) 937-6036 | trosella@freedomboatclub.com        |
| John       | Rubens      | FLX Boating LLC               | 6508 East Bluff Drive            | Penn Yan               | NY    | 14527    | (401) 474-9522 | jrubens@freedomboatclub.com         |
| Tom        | Rosella     | Liberty Adventures, LLC       | 695 Piermont AVE                 | Piermont               | NY    | 10968    | (908) 872-8715 | trosella@freedomboatclub.com        |
| Peter      | Coons       | FLX Boating LLC               | 1000 N. River Street             | Rochester              | NY    | 14612    | (585) 802-6448 | pcoons@freedomboatclub.com          |
| Laurali    | Deats       | FLX Boating LLC               | 8487 Greig St.                   | Sodus Point            | NY    | 14555    | (585) 802-6448 | ldeats@freedomboatclub.com          |
| Tom        | Rosella     | Liberty Adventures, LLC       | 600 Beach Road                   | West Haverstraw        | NY    | 10993    | (908) 872-8715 | trosella@freedomboatclub.com        |
| Zach       | Hollenbaugh | Scarecrow Boat, LLC           | 401 Marina Street                | Carolina Beach         | NC    | 28428    | (910) 665-9007 | zhollenbaugh@freedomboatclub.com    |
| Jeff       | Weir        | Weir on the Lake, LLC         | 16310 York Rd                    | Charlotte              | NC    | 28278    | (336) 926-6213 | jweir@freedomboatclub.com           |
| Jeff       | Weir        | Weirkraft, LLC                | 17505 West Catawba Ave Suite 150 | Cornelius              | NC    | 28031    | (336) 926-6213 | jweir@freedomboatclub.com           |
| Jeff       | Weir        | Weirkraft, LLC                | 400 N Harbor Place               | Davidson               | NC    | 28036    | (336) 926-6213 | jweir@freedomboatclub.com           |
| Jeff       | Weir        | Weirkraft, LLC                | 7879 Water Oaks Drive            | Denver                 | NC    | 28037    | (336) 926-6213 | jweir@freedomboatclub.com           |
| Wesley     | Dowdy       | Ridges Marina Boat Club, LLC  | 400 Harbor Cove Ln               | Murphy                 | NC    | 28906    | (678) 918-6800 | wesley.dowdy@freedomboatclub.com    |
| Chris      | Speckman    | Ocean Isle Boat Club, LLC     | 57 Causeway Dr                   | Ocean Isle Beach       | NC    | 28469    | (843) 241-6498 | cspeckman@freedomboatclub.com       |



| First Name | Last Name   | Entity Name                 | Address                                 | City                        | State | Zip Code | Phone          | E-mail                            |
|------------|-------------|-----------------------------|-----------------------------------------|-----------------------------|-------|----------|----------------|-----------------------------------|
| Chris      | Speckman    | Coastal Boat Club, Inc.     | 606 West Street                         | Southport                   | NC    | 28461    | (843) 241-6498 | cspeckman@freedomboatclub.com     |
| Zach       | Hollenbaugh | Scarecrow Boat, LLC         | 412 Roland Ave                          | Surf City                   | NC    | 28445    | (910) 665-9007 | zhollenbaugh@freedomboatclub.com  |
| Jeff       | Weir        | Weirkraft, LLC              | 1152 Perth Rd.                          | Troutman                    | NC    | 28166    | (336) 926-6213 | jweir@freedomboatclub.com         |
| Kevin      | Seelig      | Red Bird Boats, LLC         | 4853 Kellogg Ave                        | Cincinnati                  | OH    | 45226    | (904) 599-5789 | kseelig@freedomboatclub.com       |
| Kevin      | Seelig      | Red Bird Boats, LLC         | 5300 Whiskey Island Drive               | Cleveland                   | OH    | 44102    | (216) 631-5000 | mcarrick@freedomboatclub.com      |
| Kevin      | Seelig      | Red Bird Boats, LLC         | 100 Laguna Drive                        | Huron                       | OH    | 44839    | (330) 806-0952 | kseelig@freedomboatclub.com       |
| Kevin      | Seelig      | Red Bird Boats, LLC         | 5925 Saylor Street                      | Lakeside Marblehead         | OH    | 43440    | (419) 734-1395 | mcarrick@freedomboatclub.com      |
| Kevin      | Seelig      | Red Bird Boats, LLC         | 1500 Cleveland Metro Park Drive         | Lakewood                    | OH    | 44107    | (330) 806-0952 | kseelig@freedomboatclub.com       |
| Kevin      | Seelig      | Red Bird Boats, LLC         | 301 Lakeside Ave                        | Lorain                      | OH    | 44052    | (330) 806-0952 | kseelig@freedomboatclub.com       |
| Matt       | Carrick     | Red Bird Boats, LLC         | 5330 Coronada Dr.                       | Mentor                      | OH    | 44060    | (330) 806-0952 | mcarrick@freedomboatclub.com      |
| Kevin      | Seelig      | Red Bird Boats, LLC         | 767 E. Water ST                         | Sandusky                    | OH    | 44870    | (330) 806-0952 | kseelig@freedomboatclub.com       |
| Mark       | Vickers     | Red Bird Boats, LLC         | 10055 Sunfish LN                        | Thornville, OH              | OH    | 43076    | (904) 738-9895 | mark.vickers@freedomboatclub.com  |
| Walter     | Crate       | Columbia Boat Club, Inc.    | 515 NE Tomahawk Island Drive            | Portland                    | OR    | 97217    | (503) 679-5399 | waltc@freedomboatclub.com         |
| Zach       | Lutz        | Twin Tiers Boat Club, LLC   | 1 Liberty Street #2301                  | Erie                        | PA    | 16507    | (412) 576-4854 | Zach.Lutz@freedomboatclub.com     |
| Anthony    | Viola       | AMD Motor Sports LLC        | 205 Route 507                           | Hawley (Lake Wallenpaupack) | PA    | 18428    | (570) 867-0220 | anthony.viola@freedomboatclub.com |
| Kevin      | Seelig      | Red Bird Boats, LLC         | 238 W. Station Square Drive             | Pittsburgh                  | PA    | 15219    | (412) 901-7433 | kseelig@freedomboatclub.com       |
| Mike       | Centeno     | Simple Navegación LLC       | Road 308 km 4.0, #1158 Suite #5         | Cabo Rojo                   | PR    | 00623    | (860) 833-4696 | mike.centeno@freedomboatclub.com  |
| Mike       | Centeno     | Simple Navegación LLC       | 89X7+699, PR-987                        | Fajardo                     | PR    | 00738    | (860) 833-4696 | mike.centeno@freedomboatclub.com  |
| Mike       | Centeno     | Simple Navegación LLC       | PR 701 Final, Calle Chapin G-8 Bo Playa | Salinas                     | PR    | 00751    | (860) 833-4696 | mike.centeno@freedomboatclub.com  |
| Anthony    | Viola       | AMD Motor Sports LLC        | 3072 US-378                             | Leesville                   | SC    | 29070    | (843) 614-1808 | anthony.viola@freedomboatclub.com |
| Chris      | Speckman    | Grand Strand Boat Club, LLC | 4123 US -17 BR                          | Murrells Inlet              | SC    | 29576    | (843) 241-6498 | cspeckman@freedomboatclub.com     |
| Chris      | Speckman    | Grand Strand Boat Club, LLC | 1950 Wachesaw Rd.                       | Murrells Inlet              | SC    | 29576    | (843) 241-6498 | cspeckman@freedomboatclub.com     |
| Chris      | Speckman    | Grande Dunes Boat Club, LLC | 8121 Amalfi Place                       | Myrtle Beach                | SC    | 29572    | (843) 241-6498 | cspeckman@freedomboatclub.com     |
| Chris      | Speckman    | Grand Strand Boat Club, LLC | 2120 Sea Mountain Hwy Suite 1200        | North Myrtle Beach          | SC    | 29582    | (843) 241-6498 | cspeckman@freedomboatclub.com     |



| First Name | Last Name  | Entity Name                 | Address                              | City                     | State | Zip Code | Phone          | E-mail                                        |
|------------|------------|-----------------------------|--------------------------------------|--------------------------|-------|----------|----------------|-----------------------------------------------|
| Anthony    | Viola      | AMD Motor Sports LLC        | 850 Marina Way                       | Prosperity               | SC    | 29127    | (843) 614-1808 | anthony.viola@freedomboatclub.com             |
| Mariah     | Lawrence   | M & B Boating Ventures, LLC | 336 Lakeview Lane                    | Andersonville            | TN    | 37705    | (865) 271-8714 | mariah.lawrence@freedomboatclub.com           |
| Ross       | Roadman    | M & B Boating Ventures, LLC | 4027 Laverne Couchville Pike         | Antioch/Nashville        | TN    | 37013    | (239) 707-4687 | ross.roadman@freedomboatclub.com              |
| Mariah     | Lawrence   | M & B Boating Ventures, LLC | 1100 Fox Road                        | Concord Farragut         | TN    | 37922    | (865) 271-8714 | mariah.lawrence@freedomboatclub.com           |
| Bill       | Sheriff    | M & B Boating Ventures, LLC | 727 Marina Private Drive             | Gallatin                 | TN    | 37066    | (615) 483-1537 | ross.roadman@freedomboatclub.com              |
| Ross       | Roadman    | M & B Boating Ventures, LLC | 3979 Bell Road                       | Hermitage                | TN    | 37076    | (615) 483-1537 | ross.roadman@freedomboatclub.com              |
| Ross       | Roadman    | M & B Boating Ventures, LLC | 5200 City Park Drive                 | Lenoir City              | TN    | 37772    | (615) 483-1537 | ross.roadman@freedomboatclub.com              |
| Mariah     | Lawrence   | M & B Boating Ventures, LLC | 8301 Tennessee National Drive        | Loudon                   | TN    | 37774    | (865) 271-8714 | Loudon-Tennessee-National@freedomboatclub.com |
| Bill       | Sheriff    | M & B Boating Ventures, LLC | 2932 Boat Dock Road                  | Louisville               | TN    | 37777    | (615) 483-1537 | ross.roadman@freedomboatclub.com              |
| Bill       | Sheriff    | M & B Boating Ventures, LLC | 9120 Saundersville Rd                | Mt. Juliet/Nashville     | TN    | 37122    | (239) 707-4687 | ross.roadman@freedomboatclub.com              |
| Bill       | Sheriff    | M & B Boating Ventures, LLC | 450 Cove Hollow Circle               | Smithville               | TN    | 38569    | (615) 478-2474 | ross.roadman@freedomboatclub.com              |
| Bill       | Sheriff    | M & B Boating Ventures, LLC | 2685 Casey Cove Rd                   | Smithville               | TN    | 37166    | (615) 548-4315 | ross.roadman@freedomboatclub.com              |
| Ross       | Roadman    | M & B Boating Ventures, LLC | 175 Marina Lane                      | Winchester               | TN    | 37398    | (615) 483-1537 | ross.roadman@freedomboatclub.com              |
| Bill       | Marquardt  | Smart Boat Club, LLC        | 5973 Hilene Road                     | Austin                   | TX    | 78734    | (512) 649-4315 | billm@freedomboatclub.com                     |
| Ken        | Vollbrecht | Nautical Holdings, LLC      | 2651 N. Hwy 146                      | Baytown                  | TX    | TX 77520 | (214) 474-5253 | ken@freedomboatclub.com                       |
| Steven     | Gordon     | Gordon Group Design, LLC    | 13317 South Padre Island Drive       | Corpus Christi           | TX    | 78418    | (713) 256-9146 | steven.gordon@freedomboatclub.com             |
| Sue        | Wallace    | Red River Boat Group, LLC   | 132 Grandpappy Drive                 | Denison                  | TX    | 75020    | (972) 904-1782 | suew@freedomboatclub.com                      |
| Scott      | Issacks    | Smart Boat Club, LLC        | 1705 S Quinlan Park Rd               | Lake Austin              | TX    | 78732    | (512) 565-0567 | scott@freedomboatclub.com                     |
| Scott      | Issacks    | Lake Conroe Boat Club, LLC  | 15320 Hwy 105W Suite 500, Montgomery | Lake Conroe              | TX    | 77356    | (512) 565-0567 | scott@freedomboatclub.com                     |
| Scott      | Issacks    | Smart Boat Club, LLC        | 105 Yacht Club Cove                  | Lake Travis              | TX    | 78734    | (512) 565-0567 | scott@freedomboatclub.com                     |
| Ken        | Vollbrecht | Nautical Holdings, LLC      | 2400 South Shore Blvd.               | League City (Clear Lake) | TX    | 77573    | (281) 610-4432 | ken@freedomboatclub.com                       |
| Scott      | Issacks    | Smart Boat Club, LLC        | 8714 Lime Creek Road                 | Leander                  | TX    | 78641    | (512) 565-0567 | scott@freedomboatclub.com                     |
| Sue        | Wallace    | North Texas Adventures, LLC | 1481 Hill Park Rd                    | Lewisville (Dallas)      | TX    | 75056    | (972) 679-2550 | suew@freedomboatclub.com                      |
| John       | Foster     | Lake Conroe Boat Club, LLC  | 12050 Melville Drive                 | Montgomery               | TX    | 77356    | (936) 582-1060 | jfoster@freedomboatclub.com                   |
| Steven     | Gordon     | Gordon Group Design, LLC    | 121 Cove Harbor N.                   | Rockport                 | TX    | 78382    | (888) 781-7363 | sgordon@freedomboatclub.com                   |
| Timothy    | Falbo      | Lone Star Boat Club LLC     | 3681 Cedar Ridge Park Road           | Temple                   | TX    | 76502    | (512) 800-1343 | tim.falbo@freedomboatclub.com                 |
| Brenden    | Dean       | Parker Boat Club of         | 13721 Anna Point Lane                | Mineral                  | VA    | 23117    | (703) 988-5403 | brenden.dean@freedomboatclub.com              |



| First Name | Last Name  | Entity Name                       | Address                       | City                | State | Zip Code | Phone          | E-mail                           |
|------------|------------|-----------------------------------|-------------------------------|---------------------|-------|----------|----------------|----------------------------------|
|            |            | Virginia, LLC                     |                               |                     |       |          |                |                                  |
| Andy       | Sutter     | SOVA Boat Club, LLC               | 4801 Pretty Lake Ave          | Norfolk             | VA    | 23518    | (757) 615-3783 | asutter@freedomboatclub.com      |
| Andy       | Sutter     | SOVA Boat Club, LLC               | 10 Crawford Parkway           | Portsmouth          | VA    | 23704    | (757) 615-3783 | asutter@freedomboatclub.com      |
| Brent      | Parker     | Parker Boat Club of Virginia, LLC | 1 Orleans Street              | Richmond            | VA    | 23223    | (407) 761-5304 | brenden.dean@freedomboatclub.com |
| Brenden    | Dean       | Parker Boat Club of Virginia, LLC | 4 Hope Springs Ln             | Stafford Courthouse | VA    | 22554    | (407) 761-5304 | brenden.dean@freedomboatclub.com |
| Brenden    | Dean       | Parker Boat Club of Virginia, LLC | 561 Harbor Side St            | Woodbridge          | VA    | 22191    | (703) 576-7577 | brenden.dean@freedomboatclub.com |
| Andy       | Sutter     | SOVA Boat Club, LLC               | 821 Railway Rd                | Yorktown            | VA    | 23692    | (757) 615-3787 | asutter@freedomboatclub.com      |
| Shawn      | Ottenbreit | San Juan Boat Club LLC            | 1019 Q Ave                    | Anacortes           | WA    | 98221    | (253) 359-1559 | sottenbreit@freedomboatclub.com  |
| Shawn      | Ottenbreit | San Juan Boat Club LLC            | 1801 Roeder Avenue, Suite 146 | Bellingham          | WA    | 98225    | (253) 359-1559 | sottenbreit@freedomboatclub.com  |
| Nicholas   | Hooge      | Victory Marine, LLC               | 336 Admiral Way               | Edmonds             | WA    | 98020    | (206) 900-1291 | nickh@freedomboatclub.com        |
| Nicholas   | Hooge      | Victory Marine, LLC               | 1205 Craftsman Way            | Everett             | WA    | 98201    | (206) 900-1291 | nickh@freedomboatclub.com        |
| Nicholas   | Hooge      | Victory Marine, LLC               | 5207 Lake Washington Blvd. NE | Kirkland            | WA    | 98033    | (206) 900-1291 | nickh@freedomboatclub.com        |
| Nick       | Hooge      | Victory Marine, LLC               | 1022 Marine NE Drive          | Olympia             | WA    | 98501    | (833) 469-2628 | nickh@freedomboatclub.com        |
| Nick       | Hooge      | Victory Marine, LLC               | 707 Sidney Parkway            | Port Orchard        | WA    | 98366    | (206) 900-1291 | nickh@freedomboatclub.com        |
| Nick       | Hooge      | Victory Marine, LLC               | 18809 Front Street Northeast  | Poulsbo             | WA    | 98370    | (206) 900-1291 | nickh@freedomboatclub.com        |
| Nicholas   | Hooge      | Victory Marine, LLC               | 1220 Westlake Ave N. Suite D  | Seattle             | WA    | 98109    | (206) 900-1291 | nickh@freedomboatclub.com        |
| Nicholas   | Hooge      | Victory Marine, LLC               | 2500 Westlake Ave N.          | Seattle             | WA    | 98109    | (206) 900-1291 | nickh@freedomboatclub.com        |
| Nick       | Hooge      | Victory Marine, LLC               | 140 Lakeside Avenue           | Seattle             | WA    | 98122    | (206) 900-1291 | nickh@freedomboatclub.com        |
| Nicholas   | Hooge      | Victory Marine, LLC               | 2601 W. Marina Place          | Seattle             | WA    | 98199    | (206) 900-1291 | nickh@freedomboatclub.com        |
| Nick       | Hooge      | Victory Marine, LLC               | 821 Dock Street, PMB2-1       | Tacoma              | WA    | 98402    | (833) 469-2628 | nickh@freedomboatclub.com        |
| Walt       | Crate      | Columbia Boat Club, Inc.          | 24 S A Street                 | Washougal           | WA    | 98671    | (503) 679-5399 | waltc@freedomboatclub.com        |

### **Current International Franchisees as of December 31, 2025:**

| First Name | Last Name | Entity Name           | Address           | City          | State/Province  | Zip Code | Phone            | Email                  |
|------------|-----------|-----------------------|-------------------|---------------|-----------------|----------|------------------|------------------------|
| AUSTRALIA  |           |                       |                   |               |                 |          |                  |                        |
| Darren     | Vaux      | EMG Boat Club Pty Ltd | 1710 Pittwater Rd | Bayview       | New South Wales | 2104     | 612495 83333     | dv@freedomboatclub.com |
| Darren     | Vaux      | EMG Boat Club Pty Ltd | 1 Nanda Street    | Marmong Point | New South Wales | 2284     | 610204 958033 33 | dv@freedomboatclub.com |



| First Name       | Last Name | Entity Name                | Address                                      | City                   | State/Province         | Zip Code   | Phone             | Email                            |
|------------------|-----------|----------------------------|----------------------------------------------|------------------------|------------------------|------------|-------------------|----------------------------------|
| Darren           | Vaux      | EMG Boat Club Pty Ltd      | 1002 Bobbin Head Rd                          | North Turramurra       | New South Wales        | 2079       | 610209 457090 11  | dv@freedomboatclub.com           |
| Pat              | Edwards   | SEQ Boat Club Pty Ltd      | 74 Seaworld Drive                            | Main Beach             | Queensland             | 4217       | 61 7 5555 6400    | pat.edwards@freedomboatclub.com  |
| Brett            | Bolton    | Oneiro Cruises Pty Ltd     | 570 Royal Esplanade                          | Manly                  | Queensland             | 4179       | +61414 228051     | brett.bolton@freedomboatclub.com |
| Brett            | Bolton    | Oneiro Cruises Pty Ltd     | 7 Rivergate Place                            | Murarie                | Queensland             | 4172       | 614142 28051      | brett.bolton@freedomboatclub.com |
| Aaron            | Hunt      | SEQ Boat Club Pty Ltd      | 4601 Masthead Way                            | Sanctuary Cove         | Queensland             | 4212       | 61 44 403 12 4212 | aaron.hunt@freedomboatclub.com   |
| CANADA           |           |                            |                                              |                        |                        |            |                   |                                  |
| Sandy            | Purdon    | Salish Sea Boat Club, Inc. | 2300 Canoe Cove Road                         | North Saanich          | British Columbia       | V8L 3X9    | (833) 469-2628    | wpurdon@freedomboatclub.com      |
| Sandy            | Purdon    | 9602801 Canada Inc.        | 850 Barnett Hwy                              | Port Moody (Vancouver) | British Columbia       | V3H 1V6    | (778) 995-6550    | wpurdon@freedomboatclub.com      |
| Sandy            | Purdon    | Salish Sea Boat Club, Inc. | 1327 Beach Drive                             | Victoria               | British Columbia       | V8S2 N4    | (833) 469-2628    | wpurdon@freedomboatclub.com      |
| William          | Purdon    | 9602801 Canada Inc.        | 34 Sunset Beach<br>West Vancouver, BC V7W2T7 | West Vancouver         | British Columbia       | V7W 2T7    | (778) 558-1993    | wpurdon@freedomboatclub.com      |
| Eric             | Stanley   | 3314469 Nova Scotia Ltd.   | 465-31 Kings Wharf Pl                        | Halifax                | Nova Scotia            | NS B2Y 0C1 | (902) 225-1464    | estanley@freedomboatclub.com     |
| Eric             | Stanley   | 3314469 Nova Scotia Ltd.   | 148 Nautical Way                             | Tantallon              | Nova Scotia            | NS B3Z 2P3 | (902) 225-1464    | estanley@freedomboatclub.com     |
| Sterling         | Brown     | 10890090 Canada Inc.       | 1753 Highway #2                              | East Kingston          | Ontario                | K7L 4V1    | (613) 883-2696    | sborn@freedomboatclub.com        |
| Sterling         | Bown      | 10890090 Canada Inc.       | 2726 River Road                              | Manotick               | Ontario                | K1S 1A3    | (613) 371-2628    | sborn@freedomboatclub.com        |
| Sterling         | Bown      | 10890090 Canada Inc.       | 1009 Trim Road                               | Ottawa                 | Ontario                | K4A 3P4    | (613) 371-2628    | sborn@freedomboatclub.com        |
| DENMARK          |           |                            |                                              |                        |                        |            |                   |                                  |
| Mads Dahl Reimer | Jeppesen  | Baadklub CPH Aps           | Hejren 11a                                   | Greve                  | Kobenhavn (Copenhagen) | 2670       | 45 4049291 9      | mads@dk.freedomboatclub.com      |
| FRANCE           |           |                            |                                              |                        |                        |            |                   |                                  |
| Stéphane         | Cayez     | SAS Sea Services Solutions | 14 Rue de la Trinquette                      | La Rochelle            | Nouvelle Aquitaine     | 17000      | 335464 46825 06   | scayez@freedomboatclub.fr        |





| First Name   | Last Name      | Entity Name               | Address                                                                | City                | State/Province             | Zip Code | Phone              | Email                                  |
|--------------|----------------|---------------------------|------------------------------------------------------------------------|---------------------|----------------------------|----------|--------------------|----------------------------------------|
| Julien       | Bougheraba     | Mayava                    | 2 Rue Nautille                                                         | Canet-en-Roussillon | Occitanie                  | 66140    | 00 336 51 35 09 53 | j.bougheraba@yahoo.fr                  |
| Celine       | Bertin         | SAS SYMABOAT              | 7 Avenue de la Jetée, Zone Technique                                   | Le Cap d'Agde       | Occitanie                  | 34300    | +33661 356955      | celine.bertin@freedomboatclub.fr       |
| Patrick      | Escoffier      | PECOMP SAS                | Le port de plaisance de Carnon<br><br>351 Quai Auguste Meynier         | Mauguio             | Occitanie                  | 34170    | 336845 03164       | patrickesc@yahoo.com                   |
| Clement      | Coffin         | Bleu Marine               | Thierry Mourre<br><br>Chem du Littoral                                 | Marseille           | Provence-Alpes-Cote d'Azur | 13016    | 33 6 07 18 76 77   | clement.coffin@freedomboatclub.fr      |
| Clement      | Coffin         | Bleu Marine               | 12 Port de la Pointe Rouge                                             | Marseille           | Provence-Alpes-Cote d'Azur | 13008    | 33 6 07 18 76 77   | clement.coffin@freedomboatclub.fr      |
| Clement      | Coffin         | Bleu Marine               | 11 place aux Huiles                                                    | Marseille           | Provence-Alpes-Cote d'Azur | 13001    | 33 607 187677      | clement.coffin@gmail.com               |
| NEW ZEALAND  |                |                           |                                                                        |                     |                            |          |                    |                                        |
| Scott        | Williamson     | Nautical Ventures Ltd     | 131 Westhaven Drive                                                    | Auckland            | Auckland                   | 1011     | 64 21 732 729      | scott.williamson@freedomboatclub.com   |
| Scott        | Williamson     | Nautical Ventures Ltd     | Private Bag 501                                                        | Lyttleton           | Canterbury                 | 8841     | 643328 8198        | scott.williamson@freedomboatclub.co.nz |
| SPAIN        |                |                           |                                                                        |                     |                            |          |                    |                                        |
| Serafin      | Palmero        | Sureste Boat Club, LLc    | Urb. Almerimar. Torre de Control                                       | Almerimar           | Andalucia                  | 04711    | 34 629 522 288     | almeria@freedomboatclub.com            |
| Juan Manuel  | Chavez         | Windbenalmadena MBC, S.L. | Paseo Marítimo Rey de España                                           | Fuengirola          | Andalucia                  | 29640    | 34 652 807 066     | benalmadena@freedomboatclub.com        |
| Juan Manuel  | Chaves Vazquez | Windbenalmadena MBC, S.L. | Edificio Capitanía, Av. Juan Sebastian Elcano, s/n, 29630 Benalmádena, | Malaga              | Andalucia                  | 29630    | 652807 066         | benalmadena@freedomboatclub.com        |
| Nayra        | Morales Medina | Freedom Malago, S.L.      | 29751 Caleta de Vélez                                                  | Malaga              | Andalucia                  | 29751    | 667 069 190        | NAYRAMM_70@HOTMAIL.COM                 |
| Nayra        | Morales Medina | Freedom Malago, S.L.      | Carretera de Almeria la Araña                                          | Malaga              | Andalucia                  | 29018    | 000000 0000        | malaga@freedomboatclub.com             |
| Igor         | Asensio Sauto  | Ipar Freenautic S.L.      | Muelle de Arriluce 1, 1º izquierda                                     | Getxo               | Biscay                     | 48990    | 644 059 133        | bilbao@freedomboatclub.com             |
| Jonàs Gaspar | Montfort       | Blue Seed Maresme, S.L.   | 1, CP 08301 Mataró                                                     | Barcelona           | Cataluna                   | 08301    | 34 671257 802      | mataro@freedomboatclub.com             |



| First Name           | Last Name     | Entity Name                          | Address                                     | City                  | State/Province | Zip Code   | Phone           | Email                          |
|----------------------|---------------|--------------------------------------|---------------------------------------------|-----------------------|----------------|------------|-----------------|--------------------------------|
| Juan Antonio Monpean | Perez         | CONCESIONES NAUTIX, S.L              | Puerto Aguilas, C. Explanada del Muelle, 10 | Aguilas               | Murcia         | 30880      | 34 659 052 700  | aguilas@freedomboatclub.com    |
| Juan Antonio         | Mompean       | CONCESIONES NAUTIX, S.L              | Paseo Alfonso XII 24                        | Cartagena             | Murcia         | 30202      | 659052 700      | murcia@freedomboatclub.com     |
| Juan Antonio         | Mompeán Pérez | CONCESIONES NAUTIX, S.L              | Calle Cornisa del Estacio, 34               | San Javier            | Murcia         | 30730      | 000000 000      | murcia@freedomboatclub.com     |
| Juan Antonio         | Mompean Perez | CONCESIONES NAUTIX, S.L              | Explanada del puerto                        | San Pedro del Pinatar | Murcia         | 30740      | 000000 0000     | murcia@freedomboatclub.com     |
| UNITED KINGDOM       |               |                                      |                                             |                       |                |            |                 |                                |
| Grahame              | Armer         | Windermere Aquatic Limited (0022812) | Glebe Road                                  | Windermere            | Cumbria        | LA23 3HE   | 44 15394 42121  | gfa@AQW.uk                     |
| Jason                | Bond          | South West Boat Club Ltd             | Unit 1, Beacon Quay                         | Torquay               | Devon          | TQ1 2BG    | +44783 142867 2 | jason@birchellmarine.co.uk     |
| Michael              | Lally         | Loch Lomond Boat Club LLC            | Marina Ardlui, Scotland, UKG83 7EB          | Glasgow               | Dunbartonshire | UKG 83 7EB | 44 7772 994982  | a.lally@fbclomond.co.uk        |
| Richard              | Bates         | Bates Wharf Boat Club Ltd            | Shamrock Way                                | Hythe                 | Hampshire      | SO45 6DY   | 000000 0000     | richard@bateswharf.co.uk       |
| Richard              | Bates         | Bates Wharf Boat Club Ltd            | Hamble River Boatyard                       | Swanwick              | Hampshire      | SO31 7EB   | 441932 571141   | richard@bateswharf.co.uk       |
| Richard              | Bates         | Bates Wharf Boat Club Ltd            | Bridge Wharf                                | Chertsey              | Surrey         | KT16 8LG   | 441932 571141   | richard@uk.freedomboatclub.com |

### **Franchisees with Unopened Outlets as of December 31, 2025:**

| Last Name | First Name      | Entity Name                            | Address                                          | Phone          | Email                               |
|-----------|-----------------|----------------------------------------|--------------------------------------------------|----------------|-------------------------------------|
| Chrismale | Jamie           | Solitude Jetty Productions Pty Limited | 8 Teramby Road, Nelson Bay, New South Wales 2315 | 0473098360     | Jamie.crismale@freedomboatclub.com  |
| Hahn      | Klaus           | Pedersen Hahn Pty Ltd                  | 25 Harrow Street, Sylvania, New South Wales 2225 | 61 409 127 472 | Klaus.hahn@freedomboatclub.com      |
| Markham   | Kelvin          | Lifeworld Pty Ltd                      | Marieville Esplanade, Sandy Bay TAS 7005         | 0419152612     | kelvin.markham@freedomboatclub.com  |
| Palmero   | Serafin         | Sureste Boat Club, LLC                 | P.º Marítimo, Almerimar, Andalucia 04711         | 34 629 522 288 | almeria@freedomboatclub.com         |
| Alcoer    | Fernando Giquel | Sustainability PV31                    | Pantano de San Juan, Madrid 28680                | 34 914 900 982 | fernando.giquel.elvira@toursusa.es  |
| Almasabey | Baker           | Bluvana Yachts Rental LLC              | The Dubai Marina, Dubai                          | 778 378 7995   | baker.almasabey@freedomboatclub.com |





### **Former Franchisees:**

The name and last known address of every franchisee who had a Freedom Boat Club Franchise transferred, terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during the period January 1, 2025 to December 31, 2025, or who has not communicated with us within ten weeks of the Issuance Date of this Franchise Disclosure Document are listed below. If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

| Last Name                                   | First Name                      | Entity Name                | Address                                   | City          | State   | Zip Code | Phone          | Email                                                    | Notes                                                      |
|---------------------------------------------|---------------------------------|----------------------------|-------------------------------------------|---------------|---------|----------|----------------|----------------------------------------------------------|------------------------------------------------------------|
| Quattlebaum                                 | Aaron                           | Arkansas Boat Club, LLC    | 1688 Lakeview Drive, Unit E               | Young Harris  | GA      | 30582    | (501) 230-8634 | aaron.quattlebaum@freedomboatclub.com                    | AR: 3 Transferred ownership internally to remaining owners |
| Hasbrouck                                   | Dan & Jennifer                  | Golden State Boats, Inc    | 2620-A Ingraham Street                    | San Diego     | CA      | 92109    | (619) 981-2628 | dhasbrouck@freedomboatclub.com                           | CA:1 Ceased operations                                     |
| Sorensen                                    | Jakob                           | 43173820nr                 | Lindevangsvej                             | Risskov       | Denmark | 00013    | (452) 858-7255 | jsorensen@freedomboatclub.dk                             | Denmark:1 Ceased operations                                |
| Spaeth                                      | Don & Ann                       | Fun in the Sun Boating LLC | 100 Avenue A Suite 2C                     | Fort Pierce   | FL      | 34950    | (845) 235-6724 | dspaeth@freedomboatclub.com, aspaeth@freedomboatclub.com | FL:1 Ceased operations                                     |
| Hicks                                       | Rickard & Janet                 | Cypress Inlet Sports LLC   | 2600 W. Lake Eloise Drive                 | Winter Haven  | FL      | 33884    | (407) 718-0809 | rhicks@freedomboatclub.com<br>jhicks@freedomboatclub.com | FL:2 Terminated                                            |
| Kopriva                                     | Jake                            | LTBC, LLC                  | 471 N Shore Drive Unit B                  | Clear Lake    | IA      | 50428    | (641) 430-2620 | jake.kopriva@freedomboatclub.com                         | IA:2 Ceased operations                                     |
| Hooge, O'Connor, Kettelson, Seelig, Carrick | Nick, Matt, Daniel, Kevin, Matt | Red Bird                   | C/O Kevvin Seelig, 603 Rio Del Norte Road | St. Augustine | FL      | 32095    | (904) 599-5789 | kseelig@freedomboatclub.com                              | KY:1 Ceased operations                                     |
| Goodridge                                   | Mike & Jake                     | JMG Marine Group Inc.      | 161 Bridge Road                           | Salisbury     | MA      | 01952    | (978) 387-5992 | Jake - jake01952@gmail.com<br>Mike 01952mike@gmail.com   | MA:1 Transferred and assigned to new franchisee)           |
| Goss                                        | Andrew                          | Boathouse Capital Partners | 3207 Whitehall Road                       | Muskegon      | MI      | 49445    | (616) 215-2278 | dgoss@freedomboatclub.com                                | MI:1 (Ceased operations)                                   |



| Last Name                     | First Name            | Entity Name               | Address                     | City         | State | Zip Code | Phone          | Email                                                        | Notes                                                              |
|-------------------------------|-----------------------|---------------------------|-----------------------------|--------------|-------|----------|----------------|--------------------------------------------------------------|--------------------------------------------------------------------|
| Hooge                         | Nicholas Hooge        | Makin Waves LOTO, LLC     | 6515 Chalet Drive           | Osage Beach  | MO    | 65065    | (206) 900-1291 | nickh@freedomboatclub.com                                    | MO:4 (Stock transfer to remove one owner and add additional owner) |
| Goodridge                     | Mike & Jake           | Sagamore Creek Marine     | 955 Sagamore Ave            | Portsmouth   | NH    | 03801    | (978) 387-5992 | Jake - jake01952@gmail.com<br>Mike 01952mike@gmail.com       | NH:2 Transferred and assigned to new franchisee)                   |
| Carrick, O'Connor             | Matt & Matt           | M & M Jersey Marine       | 20 Cantor Court             | Plymouth     | MA    | 02360    | (617) 320-3489 | mcarrick@freedomboatclub.com<br>moconnor@freedomboatclub.com | NJ:2 (Ceased operations)                                           |
| Cannon                        | Paul                  | Great Lakes Boating, Inc. | 905 River Rd, Youngstown    | Youngstown   | NY    | 14174    | (716) 465-7060 | cannon214@roadrunner.com                                     | NY:1 Transferred and assigned to new franchisee)                   |
| Hernandez, Centeno, Rodriguez | Carlos, Misael, Edwin | Simple Navegacion LLC     | 1654 Calle Tulipan Ste 100  | San Juan     | PR    | 00927    | (860) 833-4696 | miseal.centeno@freedomboatclub.com                           | PR:2 (Ceased operations)                                           |
| Sutter, Holder                | Andy & Nate           | SOVA Boat Club LLC        | 1632 Hydenwood Crescent     | Chesapeake   | VA    | 23321    | (757) 615-3783 | asutter@freedomboatclub.com<br>nholder@freedomboatclub.com   | VA:1 (Ceased operations)                                           |
| Quattlebaum                   | Aaron                 | Arkansas Boat Club, LLC   | 1688 Lakeview Drive, Unit E | Young Harris | GA    | 30582    | (501) 230-8634 | aaron.quattlebaum@freedomboatclub.com                        | AR: 3 (Transferred ownership internally to remaining owners)       |



**EXHIBIT G**

**FRANCHISE DISCLOSURE QUESTIONNAIRE**



## FRANCHISE DISCLOSURE QUESTIONNAIRE

**Do not sign this Questionnaire if you are a resident of Maryland or Washington or the franchise is to be operated in Maryland or Washington.**

**(This questionnaire is not to be used for any franchise sale in or to residents of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin)**

As you know, Freedom Franchise Systems, LLC (“we” or “us”), and you are preparing to enter into a Franchise Agreement for the operation of a Freedom Boat Club franchise. **You cannot sign or date this questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign the Franchise Agreement.** Please review each of the following questions carefully and provide honest responses to each question. If you answer “No” to any of the questions below, please explain your answer in the table provided below.

1.        Yes\_\_\_ No\_\_\_    Have you received and personally reviewed the Franchise Agreement and each attachment or exhibit attached to it that we provided?
2.        Yes\_\_\_ No\_\_\_    Have you received and personally reviewed the Franchise Disclosure Document and each attachment or exhibit attached to it that we provided?
3.        Yes\_\_\_ No\_\_\_    Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?
4.        Yes\_\_\_ No\_\_\_    Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement?
5.        Yes\_\_\_ No\_\_\_    Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant, or other professional advisor, or have you had the opportunity for such review and chosen not to engage such professionals?
6.        Yes\_\_\_ No\_\_\_    Have you had the opportunity to discuss the benefits and risks of developing and operating a Freedom Boat Club Franchise with an existing Freedom Boat Club franchisee?
7.        Yes\_\_\_ No\_\_\_    Do you understand the risks of developing and operating a Freedom Boat Club Franchise?
8.        Yes\_\_\_ No\_\_\_    Do you understand the success or failure of your Freedom Boat Club Franchise will depend in large part upon your skills, abilities, and efforts, and those of the persons you employ, as well as many factors beyond your control such as competition, interest rates, the economy, inflation, labor and supply costs, and other relevant factors?
9.        Yes\_\_\_ No\_\_\_    Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be arbitrated in Florida, if not resolved informally or by mediation (subject to state law)?



10. Yes\_\_\_ No\_\_\_ Do you understand that you must satisfactorily complete the initial training program before we will allow your Freedom Boat Club Franchise to open or consent to a transfer of the Freedom Boat Club Franchise to you?
11. Yes\_\_\_ No\_\_\_ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Freedom Boat Club Franchise that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
12. Yes\_\_\_ No\_\_\_ Do you agree that no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement and any addendum, concerning advertising, marketing, media support, marketing penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
13. Yes\_\_\_ No\_\_\_ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Freedom Boat Club Franchise will generate that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
14. Yes\_\_\_ No\_\_\_ Do you understand that the Franchise Agreement, including each attachment or exhibit to the Franchise Agreement, contains the entire agreement between us and you concerning the Freedom Boat Club Franchise?
15. Yes\_\_\_ No\_\_\_ Do you understand that we are relying on your answers to this questionnaire to ensure that the franchise sale was made in compliance of state and federal laws?

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

|               |               |
|---------------|---------------|
| Sign:         | Sign:         |
| Printed Name: | Printed Name: |
| Date:         | Date:         |



EXPLANATION OF ANY NEGATIVE RESPONSES (REFER TO QUESTION NUMBER):

| Question Number | Explanation of Negative Response |
|-----------------|----------------------------------|
|                 |                                  |
|                 |                                  |

Rev. 11/2025



## **EXHIBIT H**

### **CONTRACTS FOR USE WITH THE FREEDOM BOAT CLUB FRANCHISE**

The following contracts contained in Exhibit H are contracts that Franchisee is required to utilize or execute after signing the Franchise Agreement in the operation of the Freedom Boat Club Business. The following are the forms of contracts that Freedom Franchise Systems, LLC uses as of the Issuance Date of this Franchise Disclosure Document. If they are marked “Sample,” they are subject to change at any time.



## EXHIBIT H-1

### FREEDOM BOAT CLUB FRANCHISE

### SAMPLE GENERAL RELEASE AGREEMENT

#### **WAIVER AND RELEASE OF CLAIMS**

This Waiver and Release of Claims ("Release") is made as of \_\_\_\_\_, 20\_\_\_\_  
by \_\_\_\_\_, a(n) \_\_\_\_\_  
("Franchisee"), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, "Releasor") in favor of Freedom Franchise Systems, LLC, a Florida limited liability company ("Franchisor," and together with Releasor, the "Parties").

**WHEREAS**, Franchisor and Franchisee have entered into a Franchise Agreement ("Agreement") pursuant to which Franchisee was granted the right to own and operate Freedom Boat Club business;

**WHEREAS**, (Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee/enter into a successor franchise agreement/amend the Agreement) or (the Agreement is being terminated/or indicate other reason for the requirement of this waiver and release), and Franchisor has consented to such (transfer/successor franchise agreement/amendment/termination/other reason); and

**WHEREAS**, as a condition to Franchisor's consent to (transfer the Agreement/enter into a successor franchise agreement/amend the Agreement/terminate the Agreement/other reason), Releasor has agreed to execute this Release upon the terms and conditions stated below.

**NOW, THEREFORE**, in consideration of Franchisor's consent, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. Representations and Warranties. Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred, or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims, or obligations being terminated and released hereunder. Each individual executing this Release on behalf of Franchisee represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

2. Release. Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit, and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries, or related companies, divisions, and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the "Released Parties"), from any and all claims, liabilities, damages, expenses, actions, or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions, or causes of action directly or indirectly arising out of or relating to the execution and





performance of the Agreement and the offer and sale of the franchise related thereto, except to the extent such liabilities are payable by the applicable indemnified party in connection with a third-party claim. Releasor represents and warrants to the Released Parties, and agrees, that it may later learn of new or different facts, but that still, it is Releasor's intention to fully, finally, and forever release all of the claims that are released above. This includes the Releasor's waiver of state laws that might apply to limit a release (such as Calif. Civil Code Section 1542, which states that "[a] general release does not extend to claims which the creditor does not know or suspect 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").

3. Nondisparagement. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit, or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business, or their reputation.

4. Confidentiality. Releasor agrees to hold in strictest confidence and not disclose, publish, or use the existence of, or any details relating to, this Release to any third party without Franchisor's express written consent, except as required by law.

5. Miscellaneous.

a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the State of Florida.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders, and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all of the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

h. Releasor agrees to do such further acts and things and to execute and deliver such additional agreements and instruments as any Released Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.



i. This Release is inapplicable with respect to claims arising under the Washington Franchise Investment Protection Act, chapter 19.100 RCW, and the rules adopted thereunder in accordance with RCW 19.100.220.

**IN WITNESS WHEREOF**, Releasor has executed this Release as of the date first written above.

**FRANCHISEE:**

\_\_\_\_\_,  
a \_\_\_\_\_

|               |
|---------------|
| Sign:         |
| Printed Name: |
| Title:        |

**FRANCHISEE'S OWNERS:**

|               |
|---------------|
| Sign:         |
| Printed Name: |
| Date:         |

|               |
|---------------|
| Sign:         |
| Printed Name: |
| Date:         |

Rev. 11/2025



## EXHIBIT H-2

### FREEDOM BOAT CLUB FRANCHISE

#### SAMPLE SYSTEM PROTECTION AGREEMENT

This System Protection Agreement (“Agreement”) is entered into by the undersigned (“you” or “your”) in favor of Freedom Franchise Systems, LLC, a Florida limited liability company, and its affiliates, successors and assigns (“Franchisor,” “us,” “we,” or “our”), upon the terms and conditions set forth in this Agreement.

**1. Definitions.** For purposes of this Agreement, the following terms have the meanings given to them below:

“*Competitive Business*” means any business that offers boat club, boat membership, boat rental, or substantially similar goods or services that compete, directly or indirectly, with the System and that is located at, or within: (i) 50 miles of the boundaries of Franchisee Territory; or (ii) 50 miles of the location of any other FBC Business. For purposes of this Agreement, you will not be deemed to have an interest in a Competitive Business solely by reason of your ownership of not more than five percent (5%) of a publicly traded company.

“*Copyrights*” means all works and materials for which we or our affiliate have secured common law or registered copyright protection and that we allow franchisees to use, sell, or display in connection with the marketing and/or operation of a Freedom Boat Club business or the solicitation or offer of a Freedom Boat Club franchise, whether now in existence or created in the future.

“*FBC Business*” means any business operating or authorized to operate under the Freedom Boat Club System, whether opened or under development, and whether owned by a franchisee or by us or any of our parents, subsidiaries, or affiliates.

“*Franchisee*” means the Freedom Boat Club franchisee for which you are a manager or officer.

“*Franchisee Territory*” means the territory granted to Franchisee pursuant to its franchise agreement with us.

“*Intellectual Property*” means, collectively or individually, our Marks, Copyrights, Know-how, and System.

“*Know-how*” means all of our trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of a FBC Business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

“*Manual*” means our brand standards manual for the operation of a Freedom Boat Club business, which may be periodically modified by us.

“*Marks*” means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Freedom Boat Club business, including “FREEDOM BOAT CLUB,” and any other trademarks, service marks, or trade names that we designate for use by a Freedom Boat Club business. The term “Marks” also includes any distinctive trade dress used to identify a Freedom Boat Club business, whether now in existence or hereafter created.

“*Prohibited Activities*” means any of the following, directly or indirectly: (i) owning, operating, managing, being employed by, consulting with, or having a financial interest in a Competitive Business, except ownership of not more than five percent (5%) of a publicly traded company; (ii) soliciting,



diverting, or attempting to divert any customer, member, or business opportunity from us or any of our affiliates or franchisees; (iii) soliciting or attempting to solicit any employee, independent contractor, manager, officer, or representative of us or any of our affiliates or franchisees to terminate, reduce, or alter his, her, or its relationship for the benefit of a Competitive Business; or (iv) assisting any person or entity in doing any of the foregoing.

*“Restricted Period”* means the two-year period beginning on the date you cease serving as a manager or officer of Franchisee or otherwise cease providing services to Franchisee in any capacity in which you have access to Know-how, Intellectual Property, or the System; provided, however, that if a court of competent jurisdiction determines that this period is too long to be enforceable, then the Restricted Period will mean the one-year period beginning on such date.

*“Restricted Territory”* means the geographic area within: (i) 50 miles of the boundaries of Franchisee Territory; or (ii) 50 miles of the location of any other FBC Business; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the Restricted Territory means the geographic area within a 25-mile radius of the approved location of Franchisee’s Freedom Boat Club business.

*“System”* means our system for the establishment, development, operation, and management of a Freedom Boat Club business, including Know-how, proprietary programs and products, Manual, and operating system.

**2. Background.** You are a manager or officer of Franchisee. As a result of this relationship, you may gain knowledge of our System. You understand that protecting the Intellectual Property and our System are vital to our success and that of our franchisees and that you could seriously jeopardize our entire System if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

**3. Know-how and Intellectual Property.** You agree: (i) you will not use the Know-how in any business or capacity other than the Freedom Boat Club business operated by Franchisee; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you cease serving as a manager or officer of Franchisee or otherwise cease providing services to Franchisee in any capacity in which you have access to Know-how, Intellectual Property, or the System. You further agree that you will not use all or part of the Intellectual Property or all or part of the System for any purpose other than performing your duties for Franchisee and within the scope of your employment or other engagement with Franchisee. These restrictions on Know-how, Intellectual Property, and the System do not apply to information that becomes publicly available through no breach of this Agreement by you. If you are required by law, subpoena, or court order to disclose any Know-how, Intellectual Property, or System information, then, unless prohibited by law, you will promptly notify us, disclose only the portion legally required to be disclosed, and reasonably cooperate with our efforts to obtain confidential treatment or other appropriate protection. Upon termination of your relationship with Franchisee, upon your ceasing to serve in a capacity covered by this Agreement, or upon our request, you will promptly, and in any event within five (5) days, return to us or Franchisee, or permanently destroy, all manuals, records, files, member information, marketing materials, passwords, credentials, electronic data, and other materials containing or reflecting any Know-how, Intellectual Property, or System information, and you will certify your compliance upon our request. In addition, upon termination or upon request, you will immediately cease all access to any business-related email, CRM, scheduling, social media, website, payment, advertising, cloud storage, and other digital accounts used in connection with Franchisee’s business, and you will promptly provide all credentials, recovery information, and administrative control necessary to transfer full access and control to Franchisee or us.



**4. Unfair Competition During Relationship.** You agree that, at all times while you are serving as a manager or officer of Franchisee or otherwise providing services to Franchisee in any capacity in which you have access to Know-how, Intellectual Property, or the System, you will not, directly or indirectly, engage in any Prohibited Activities.

**5. Unfair Competition After Relationship.** You agree that, during the Restricted Period, you will not, directly or indirectly, engage in any Prohibited Activities; provided, however, that the restriction on having an interest in a Competitive Business will apply only with respect to a Competitive Business that is located within, or provides competitive goods or services to customers located within, the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period, then the Restricted Period will be tolled during the period of such violation and will resume only after the violation has fully ceased and been cured to the extent curable. During the Restricted Period, you will not, directly or indirectly, solicit any customer, member, or client of ours, Franchisee, or any of their affiliates or franchisees with whom you had material contact, or about whom you obtained confidential information, for the purpose of providing competing goods or services.

**6. Non-Circumvention.** You will not, directly or indirectly, use any spouse, family member, affiliate, nominee, or other person or entity to evade any restriction in this Agreement. You will not disclose any Know-how, Intellectual Property, or System information to any such person for use in a Competitive Business, and you will not assist any such person or entity in engaging in any Prohibited Activities. Any such conduct will constitute a material breach of this Agreement.

**7. Covenants Reasonable.** You acknowledge and agree that the restrictions in this Agreement are reasonable in time, scope, and geographic area, and are necessary to protect our legitimate business interests, including our confidential information, goodwill, Intellectual Property, and franchise system.

**8. Breach.** You agree that failure to comply with the terms of this Agreement may cause substantial and irreparable damage to us, Franchisee, and/or other Freedom Boat Club franchisees for which there may be no adequate remedy at law. Therefore, we and/or Franchisee will be entitled to seek temporary, preliminary, and permanent injunctive relief, specific performance, and other remedies available at law or in equity, in each case to the extent permitted by law. To the extent permitted by law, we and/or Franchisee may seek such relief without bond; provided, however, that if a court requires a bond, the parties request that it be set in a minimal amount. No remedy available to us or Franchisee under this Agreement is exclusive of any other remedy, and all such remedies may be exercised cumulatively and in combination with any other remedies available under this Agreement or at law or in equity. Your obligations under this Agreement are independent of any dispute you may have with us, our owners, our affiliates, Franchisee, or any of their respective owners, and, to the extent permitted by law, you will not assert any such dispute as a basis to avoid compliance with this Agreement.

**9. Miscellaneous.**

a. If we and/or Franchisee pursue legal remedies against you because you have breached this Agreement, and the party pursuing such remedies prevails against you, you agree to pay that prevailing party's reasonable attorneys' fees and costs incurred in doing so.

b. This Agreement will be governed by, construed, and enforced under the laws of Florida, and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.



c. Each section of this Agreement, including each subsection and portion thereof, is severable. If any section, subsection, or portion of this Agreement is determined to be unenforceable, that determination will not affect the enforceability of any other section, subsection, or portion. If any restriction in this Agreement is determined by a court of competent jurisdiction to be unenforceable as written, the parties request that the court modify the restriction only to the extent necessary to render it enforceable and enforce it as modified.

d. Franchisee is an intended third-party beneficiary of this Agreement and may directly enforce Sections 3, 4, 5, 6 8, and this Section 9 against you. Nothing in this Agreement, however, limits our independent right to enforce this Agreement or to control enforcement of this Agreement to the extent permitted by law.

EXECUTED on the date stated below.

|               |
|---------------|
| Sign:         |
| Printed Name: |
| Date:         |

Rev. 112025



### **EXHIBIT H-3**

#### **FREEDOM BOAT CLUB FRANCHISE**

#### **SAMPLE CONFIDENTIALITY AGREEMENT**

This Confidentiality Agreement (“Agreement”) is entered into by the undersigned (“you” or “your”) in favor of Freedom Franchise Systems, LLC, a Florida limited liability company, and its affiliates, successors and assigns (“us,” “we,” or “our”), upon the terms and conditions set forth in this Agreement.

**1. Definitions.** For purposes of this Agreement, the following terms have the meanings given to them below:

“*Confidential Information*” means all nonpublic information relating to us, Franchisee, our or Franchisee’s affiliates, or the operation of a Freedom Boat Club Business, whether or not marked confidential, including Know-how, the Manual, nonpublic portions of the System, customer and member information, vendor information, business plans, financial information, pricing information, marketing plans, passwords, credentials, electronic data, software, processes, reports, and other proprietary, confidential, or trade secret information. Confidential Information does not include information that you can demonstrate by competent written evidence: (a) was lawfully known to you without restriction before disclosure; (b) becomes publicly available through no breach of this Agreement by you; (c) is lawfully received by you from a third party without a duty of confidentiality; or (d) is independently developed by you without use of or reference to the Confidential Information or Intellectual Property.

“*Copyrights*” means all works and materials for which we or our affiliate(s) have secured common law or registered copyright protection and that we allow Freedom Boat Club franchisees to use, sell, or display in connection with the marketing and/or operation of a Freedom Boat Club Business, whether now in existence or created in the future.

“*Franchisee*” means the Freedom Boat Club franchisee for which you are an employee, independent contractor, agent, representative, or supplier.

“*Freedom Boat Club Business*” means a business that provides a membership-only boat club that offers its members the usage of boats at designated times and for designated time periods based on an initiation fee and monthly membership fees, and other related products and services using our Intellectual Property.

“*Intellectual Property*” means, collectively or individually, our Marks, Copyrights, Know-how, Manual, and System.

“*Know-how*” means all of our trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of a Freedom Boat Club Business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

“*Manual*” means our brand standards manual for the operation of a Freedom Boat Club Business.

“*Marks*” means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Freedom Boat Club Business, including “FREEDOM BOAT CLUB” and any other trademarks, service marks, or trade names that we designate for use by a Freedom Boat Club Business. The term “Marks” also includes any distinctive trade dress used to identify a Freedom Boat Club Business, whether now in existence or hereafter created.





“System” means our system for the establishment, development, operation, and management of a Freedom Boat Club Business, including Know-how, proprietary programs and products, brand standards manuals, and operating system.

**2. Background.** You are an employee, independent contractor, agent, representative, or supplier of Franchisee. Because of this relationship, you may gain access to our Confidential Information and Intellectual Property. You understand that protecting the Intellectual Property and Confidential Information is vital to our success and that of our franchisees, and that unauthorized use or disclosure of such information could seriously jeopardize our System. In order to avoid such damage, you agree to comply with this Agreement.

**3. Confidential Information and Intellectual Property: Nondisclosure and Use.** You agree that: (i) you will use the Confidential Information and Intellectual Property solely for the benefit of Franchisee in connection with the operation of Franchisee’s Freedom Boat Club Business and only within the scope of your employment or other engagement with Franchisee; (ii) you will maintain the confidentiality of the Confidential Information at all times and will not disclose it to any person except as authorized by us or Franchisee; (iii) you will not make or retain unauthorized copies of documents or materials containing Confidential Information or Intellectual Property; (iv) you will take such reasonable steps as we may request from time to time to prevent unauthorized use, access, or disclosure of Confidential Information or Intellectual Property; and (v) you will immediately cease using the Confidential Information and Intellectual Property if you cease to be an employee, independent contractor, agent, representative, or supplier of Franchisee, or otherwise upon our or Franchisee’s request.

You further agree that you will not use any Confidential Information or Intellectual Property for any purpose other than performing your duties for Franchisee and within the scope of your employment or other engagement with Franchisee. You will protect the Confidential Information and Intellectual Property using at least reasonable care and no less than the degree of care you use to protect your own confidential information of a similar nature. You shall not upload, input, transmit, or disclose any Confidential Information or Intellectual Property to any generative artificial intelligence tool, public large language model, or other third-party machine-learning platform except through systems expressly approved in writing by us or Franchisee for that purpose. If you are required by law, subpoena, or court order to disclose any Confidential Information or Intellectual Property, then, unless prohibited by law, you will promptly notify us and Franchisee, disclose only the portion legally required to be disclosed, and reasonably cooperate with our efforts to obtain confidential treatment or other appropriate protection. The Intellectual Property is and shall remain our sole property. To the extent you create, author, conceive, or reduce to practice any modification, adaptation, derivative work, translation, compilation, or other material specifically based on or incorporating our Confidential Information or Intellectual Property in the course of performing services for Franchisee relating to a Freedom Boat Club Business, you hereby assign, and agree to assign, all right, title, and interest you may have in such material to us, to the extent permitted by law. This sentence does not apply to your independent inventions, works, tools, or materials developed without use of or reference to our Confidential Information or Intellectual Property.

Upon termination of your relationship with Franchisee, upon your ceasing to act in a capacity covered by this Agreement, or upon our or Franchisee’s request, you will promptly, and in any event within five (5) days, return to us or Franchisee, or permanently destroy, all manuals, records, files, member information, marketing materials, passwords, credentials, electronic data, and other materials containing or reflecting any Confidential Information or Intellectual Property, and you will certify your compliance upon our or Franchisee’s request. In addition, upon termination or upon request, you will immediately cease all administrative or user access to any digital accounts owned by Franchisee, created solely for Franchisee’s business, or containing Franchisee business information, including business-related email, CRM, scheduling, social media, website, payment, advertising, and cloud storage accounts,





and you will promptly provide all usernames, passwords, multifactor authentication methods, recovery information, and other administrative credentials necessary to transfer full access and control of those accounts to Franchisee or us. This sentence does not require you to disclose credentials for personal accounts that are not used to store or administer Franchisee business information. Your obligations under this Section will continue for so long as the information remains a trade secret under applicable law and, for all other Confidential Information, for a period of 10 years after your relationship with Franchisee ends, unless a longer period is required by applicable law.

**4. Non-Circumvention.** You will not, directly or indirectly, use any spouse, family member, affiliate, nominee, or other person or entity to evade any restriction in this Agreement. You will not disclose or permit access to any Confidential Information or Intellectual Property to any such person except as expressly authorized by us or Franchisee. Any such conduct will constitute a material breach of this Agreement.

**5. Reasonableness.** You acknowledge and agree that the restrictions in this Agreement are reasonable and necessary to protect our legitimate business interests and those of Franchisee, including confidential information, trade secrets, goodwill, Intellectual Property, and the System.

**6. Breach.** You agree that any breach or threatened breach of this Agreement may cause substantial and irreparable harm to us, Franchisee, and/or other Freedom Boat Club franchisees for which monetary damages may be an inadequate remedy. Accordingly, we and/or Franchisee may seek temporary, preliminary, and permanent injunctive or other equitable relief, specific performance, and any other remedies available at law or in equity, in each case to the extent permitted by applicable law. No remedy available under this Agreement is exclusive of any other remedy, and all such remedies may be exercised cumulatively and in combination.

**7. Miscellaneous.**

a. Although your employment or other relationship is with Franchisee and not with us, nothing in this Agreement limits our rights or Franchisee's rights to enforce this Agreement in accordance with its terms.

b. If we and/or Franchisee pursue legal remedies against you because you have breached this Agreement, and the party pursuing such remedies prevails against you, you agree to pay that prevailing party's reasonable attorneys' fees and costs incurred in doing so, subject to applicable state law.

c. Except to the extent prohibited by applicable law, this Agreement will be governed by, construed, and enforced under the laws of the State of Florida, without regard to conflict of laws principles. Any proceeding arising out of this Agreement shall be brought in the forum required by applicable law, and if no such law applies, then in the state or federal courts located in Florida.

d. Each section of this Agreement, including each subsection and portion thereof, is severable. If any section, subsection, or portion of this Agreement is determined to be unenforceable, that determination will not affect the enforceability of any other section, subsection, or portion. If any restriction in this Agreement is determined by a court of competent jurisdiction to be unenforceable as written, the parties request that the court modify the restriction only to the extent necessary to render it enforceable and enforce it as modified.

e. Franchisee is an intended third-party beneficiary of Sections 3, 4, and 6 and may directly enforce those Sections and Sections 7(a), 7(b), 7(c), 7(d), and 7(f) against you. Nothing in this



Agreement, however, limits our independent right to enforce this Agreement or, to the extent permitted by law, to control enforcement of this Agreement to the extent permitted by law.

f. Notwithstanding anything to the contrary in this Agreement, this Agreement is intended to be enforced only to the maximum extent permitted by applicable law. Nothing in this Agreement is intended to waive, limit, or disclaim any non-waivable right or remedy under applicable franchise, employment, trade secret, unfair competition, whistleblower, or other law. Any provision that is inconsistent with applicable law shall be modified or severed automatically to the minimum extent necessary, and the remainder of this Agreement shall remain in effect.

g. This Agreement may be executed electronically and in counterparts, each of which is deemed an original and all of which together constitute one instrument. No countersignature by us is required for this Agreement to be binding.

This Agreement is effective upon your execution below, and no countersignature by us is required for this Agreement to be binding and enforceable. EXECUTED on the date stated below.

|               |
|---------------|
| Sign:         |
| Printed Name: |
| Date:         |

Rev. 112025



## **EXHIBIT H-4**

### **AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM**

#### **Franchisee Information:**

|                                                                  |                          |
|------------------------------------------------------------------|--------------------------|
| Franchisee Name                                                  | Business No.             |
| Franchisee Mailing Address (street)                              | Franchisee Phone No.     |
| Franchisee Mailing Address (city, state, zip)                    |                          |
| Contact Name, Address and Phone number (if different from above) |                          |
| Franchisee Fax No.                                               | Franchisee Email Address |

#### **Bank Account Information:**

|                                                                    |             |                             |
|--------------------------------------------------------------------|-------------|-----------------------------|
| Bank Name                                                          |             |                             |
| Bank Mailing Address (street, city, state, zip)                    |             |                             |
| <input type="checkbox"/> Checking <input type="checkbox"/> Savings |             |                             |
| Bank Account No.                                                   | (check one) | Bank Routing No. (9 digits) |
| Bank Mailing Address (city, state, zip)                            |             | Bank Phone No.              |

#### **Authorization:**

Franchisee hereby authorizes Freedom Franchise Systems, LLC (“Franchisor”) to initiate debit entries to Franchisee’s account with the Bank listed above, and Franchisee authorizes the Bank to accept and to debit the amount of such entries to Franchisee’s account. Each debit shall be made from time to time in an amount sufficient to cover any fees payable to Franchisor pursuant to the Franchise Agreement and any other agreement between Franchisor and Franchisee as well as to cover any purchases of goods or services from Franchisor or any affiliate of Franchisor. Franchisee agrees to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit entries. Debit entries will be initiated only as authorized above. This authorization is to remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor and the Bank a reasonable opportunity to act on it. Franchisee shall notify Franchisor of any changes to any of the information contained in this authorization form at least 30 days before such change becomes effective.

|                 |
|-----------------|
| Sign:           |
| Printed Name:   |
| Title:          |
| Date:           |
| Federal Tax ID: |

**NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT.**



## **EXHIBIT H-5**

### **FREEDOM BOAT CLUB FRANCHISE**

#### **SAMPLE APPROVAL OF REQUESTED TRANSFER**

This Approval of Requested Transfer ("Agreement") is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between Freedom Franchise Systems, LLC ("Franchisor"), a Florida limited liability company, \_\_\_\_\_ ("Transferring Franchisee"), each of the undersigned owners of Transferring Franchisee (collectively, "Owners") and \_\_\_\_\_, a [State] [Corporation/Limited Liability Company] ("New Franchisee").

#### **RECITALS**

WHEREAS, Franchisor and Transferring Franchisee entered into that certain franchise agreement dated \_\_\_\_\_, 20\_\_\_\_ ("Existing Franchise Agreement"), in which Franchisor granted Transferring Franchisee the right to operate a Freedom Boat Club franchise located at \_\_\_\_\_ ("Franchised Business"); and

WHEREAS, Transferring Franchisee and New Franchisee have entered into, or will enter into, a separate purchase agreement and/or related transfer documents (collectively, the "Transfer Documents") pursuant to which the transfer of the Franchised Business and/or the ownership or control of the Franchised Business will be effected; and

WHEREAS, Transferring Franchisee desires to transfer ("Requested Transfer") the Franchised Business to New Franchisee, New Franchisee desires to accept the Requested Transfer of the Franchised Business from Transferring Franchisee, and Franchisor desires to approve the Requested Transfer of the Franchised Business from Transferring Franchisee to New Franchisee upon the terms and conditions contained in this Agreement, including that New Franchisee sign Franchisor's current form of franchise agreement together with all exhibits and attachments thereto ("New Franchise Agreement"), contemporaneously herewith.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements herein contained, the parties hereto hereby covenant, promise, and agree as follows:

1. Payment of Fees. In consideration for the Requested Transfer, Transferring Franchisee acknowledges and agrees to pay Franchisor the Transfer Fee, as required under the Existing Franchise Agreement ("Franchisor's Transfer Fee"), together with all other amounts then due and owing by Transferring Franchisee or Owners to Franchisor or its affiliates in connection with the Franchised Business.

2. Approval Only; No Transfer Effectuated by This Agreement. This Agreement is solely Franchisor's conditional approval of the Requested Transfer. The transfer of the Franchised Business, the transfer of any assets or ownership interests, and any assignment or assumption between Transferring Franchisee and New Franchisee shall be effected, if at all, only pursuant to the Transfer Documents and other instruments executed by those parties. Franchisor is not a party to the Transfer Documents and assumes no obligations under them.



3. Conditional Consent to Requested Transfer. Franchisor hereby consents to the Requested Transfer solely on the terms and conditions of this Agreement and only upon Franchisor's receipt, in form and substance satisfactory to Franchisor, of all of the following: (a) the Franchisor's Transfer Fee and all other amounts due under Section 1; (b) this Agreement fully executed by Franchisor, Transferring Franchisee, Owners, and New Franchisee; (c) the New Franchise Agreement and all related agreements, exhibits, attachments, addenda, guaranties, owners agreements, spouse consents, system protection agreements, confidentiality agreements, and other documents then required by Franchisor, fully executed by all required parties; (d) Franchisor's current form of General Release Agreement fully executed by Transferring Franchisee and each Owner, unless prohibited by applicable law; and (e) such other transfer documents, evidence of authority, assignments, consents, and information as Franchisor may reasonably require. The Requested Transfer shall become effective only on the date designated by Franchisor in writing after satisfaction of all such conditions (the "Effective Date"). Franchisor waives its right of first refusal set forth in the Existing Franchise Agreement solely with respect to the Requested Transfer described in this Agreement, and no such waiver shall apply to any other proposed transfer or transaction.

4. Termination of Existing Franchise Agreement; Survival. Effective as of the Effective Date, the Existing Franchise Agreement shall terminate and all of Transferring Franchisee's rights to operate the Franchised Business shall terminate, and from and after the Effective Date only New Franchisee shall have the sole right to operate the Franchised Business under the New Franchise Agreement. Transferring Franchisee and the undersigned Owners agree to comply with all covenants and obligations in the Existing Franchise Agreement and related documents that expressly or by implication survive the termination, expiration, or transfer of the Existing Franchise Agreement. Transferring Franchisee and each Owner shall remain liable for all obligations, claims, liabilities, and defaults arising under or relating to the Franchised Business or the Existing Franchise Agreement before the Effective Date. Unless otherwise precluded by applicable law, Transferring Franchisee and each Owner shall execute Franchisor's current form of General Release Agreement.

5. New Franchise Agreement. New Franchisee shall execute the New Franchise Agreement for the Franchised Business (as amended by the form of addendum prescribed by Franchisor, if applicable), and any other required contracts for the operation of a Freedom Boat Club franchise as stated in Franchisor's Franchise Disclosure Document, including all ancillary agreements and documents then required by Franchisor.

6. Transferring Franchisee and Owners Contact Information. Transferring Franchisee and each Owner agree to keep Franchisor informed of their current mailing address, email address, and telephone number at all times during the three-year period following the Effective Date, and to notify Franchisor in writing within ten (10) days after any change.

7. Acknowledgement by New Franchisee. New Franchisee acknowledges and agrees that the purchase and transfer of the Franchised Business and related rights ("Transaction") occurred solely between Transferring Franchisee and New Franchisee. New Franchisee also acknowledges and agrees that Franchisor played no role in the Transaction and that Franchisor's involvement was limited to the approval of the Requested Transfer and any required actions regarding New Franchisee's signing of the New Franchise Agreement for the Franchised Business. New Franchisee further acknowledges and agrees that Franchisor is not a party to the Transfer Documents, did not negotiate the Transaction, and has not made any representation or warranty to New Franchisee concerning the value, condition, title, profitability, revenues, expenses, membership levels, assets, liabilities, or legal compliance of the Franchised Business or the Transaction. New Franchisee acknowledges that it is not relying on any statement by Franchisor except as expressly set forth in the New Franchise Agreement and the Franchise Disclosure Document delivered by Franchisor. New Franchisee agrees that any claims, disputes, or issues



relating to New Franchisee's acquisition of the Franchised Business from Transferring Franchisee are between New Franchisee and Transferring Franchisee, and shall not involve Franchisor.

8. Representations. Transferring Franchisee warrants and represents that it has not heretofore assigned, conveyed, encumbered, or otherwise disposed of any interest in the Existing Franchise Agreement or Franchised Business, except as disclosed in writing to Franchisor, and that it has full power and authority to enter into this Agreement and consummate the Requested Transfer. New Franchisee hereby represents that it received Franchisor's Franchise Disclosure Document and did not sign the New Franchise Agreement or pay any money to Franchisor or its affiliate for a period of at least fourteen (14) calendar days after receipt of the Franchise Disclosure Document. New Franchisee further represents that it has full power and authority to enter into this Agreement and the New Franchise Agreement.

9. Notices. Any notices given under this Agreement shall be in writing, and if delivered by hand, or transmitted by U.S. certified mail, return receipt requested, postage prepaid, or via nationally recognized overnight courier or email (with confirmation of transmission), shall be deemed to have been given on the date so delivered or transmitted, if sent to the recipient at its address or email address last designated in writing by such party to the other parties.

10. Further Actions. Transferring Franchisee, Owners, and New Franchisee each agree to take such further actions as may be required to effectuate the terms and conditions of this Agreement, including any and all actions that may be required or contemplated by the Existing Franchise Agreement, the Transfer Documents, or reasonably required by Franchisor in connection with the Requested Transfer and transition of the Franchised Business.

11. Miscellaneous. This Agreement constitutes the entire agreement among the parties with respect to Franchisor's approval of the Requested Transfer and supersedes all prior or contemporaneous discussions or understandings regarding that subject matter. This Agreement may not be changed or modified except in a writing signed by all of the parties hereto. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document. Signatures delivered by PDF, electronic transmission, or electronic signature platform shall be deemed effective as originals. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

12. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida. The parties consent to the jurisdiction of the state and federal courts located in Florida for any action arising out of or relating to this Agreement, subject to any applicable dispute resolution provisions in the New Franchise Agreement that by their terms apply to disputes involving Franchisor and New Franchisee.

**IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.**



**FRANCHISOR:**

FREEDOM FRANCHISE SYSTEMS, LLC

|               |
|---------------|
| Sign:         |
| Printed Name: |
| Title:        |

**TRANSFERRING FRANCHISEE:**

---

|               |
|---------------|
| Sign:         |
| Printed Name: |
| Title:        |

**OWNERS:**

|               |
|---------------|
| Sign:         |
| Printed Name: |

|               |
|---------------|
| Sign:         |
| Printed Name: |

**NEW FRANCHISEE:**

---

|               |
|---------------|
| Sign:         |
| Printed Name: |
| Title:        |

Rev. 11/2025



## **EXHIBIT H-6**

### **FREEDOM BOAT CLUB FRANCHISE**

#### **SAMPLE ADDENDUM TO SLIP AGREEMENT**

Dated as of \_\_\_\_\_, \_\_\_\_\_

This Addendum to Slip Agreement (“Addendum”) is entered into as of the date first written above between the persons indicated in the table below, each a “Party” and together the “Parties”. The Parties have entered into that certain Slip Agreement whereby Marina Owner allows Freedom Business to utilize certain Slips in the Marina as indicated in the table below:

| <b>1. BACKGROUND</b>    |                                                                                                                                                                              |
|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Slip Agreement</b>   | [name of document] by and between Marina Owner and Freedom Business, executed as of [date of document], and pertaining to the Marina and applicable Slips, as defined below. |
| <b>Slips</b>            |                                                                                                                                                                              |
| <b>Marina</b>           |                                                                                                                                                                              |
| Address                 |                                                                                                                                                                              |
| <b>Marina Owner</b>     |                                                                                                                                                                              |
| Address                 |                                                                                                                                                                              |
| <b>Freedom Business</b> | [appropriate entity]                                                                                                                                                         |
| Address                 | [appropriate entity address]                                                                                                                                                 |

#### **2. TERMS**

The Parties have executed the Slip Agreement, pursuant to which Freedom Business is operating a Freedom Boat Club business at the Marina. Marina Owner and Freedom Business desire to amend the terms of the Slip Agreement by incorporating the terms of this Addendum into the Slip Agreement.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and promises of the Parties and subject to the following terms and conditions, it is agreed as follows:

1. **Commercial business.** Marina Owner acknowledges that Freedom Business is a commercial business operating a shared-access boat club which will involve customers and their guests utilizing the Slips with frequency that likely exceeds that of other Marina customers.
2. **Vessel changes.** It is understood that vessels utilized in the course of normal operations by Freedom Business will change periodically due to the nature of the business. As such, Freedom Business shall not be required to provide new boat information to Marina Owner when a vessel is added or removed from the marina. Each boat owned by Freedom Business will be clearly identified with an identifying mark.
3. **Dock Carts.** It is understood that Freedom Business may utilize dock carts during daily operation that may be temporarily unattended. Reasonable effort will be made by Freedom





Business to keep docks clear of carts and any other equipment used by Freedom Business during daily operations.

4. **Signage.** It is understood that Freedom Business will be allowed to use limited signage to identify its business in accordance with city and local regulations.
5. **Renewal.** It is understood that if there is no default of the Slip Agreement, Freedom Business will have the opportunity to renew on an annual basis.
6. **Exclusive right.** It is understood that Freedom Business will have the exclusive right to operate a boat club, rental club, or other similar business in the Marina.
7. **Slip Location.** It is understood that Freedom Business will receive slip location favorable to normal business operations.
8. **Right of first refusal.** It is understood that when slips become available in the Marina that Freedom Business shall have a right of first refusal to enter into an additional agreement or addendum to the existing Slip Agreement to secure the additional slips.
9. **Extended term.** It is understood that the term stated in the Slip Agreement shall be for a period of (3) three years.
10. **Media Release.** It is understood that from time to time, Freedom Business may participate in marketing activities that may include but are not limited to photo shoots, aerial surveys, etc. Freedom Business will have the right to use and reproduce such media images without remuneration to marina.
11. **Common Areas.** It is agreed and understood that there will be access to public restrooms and common areas to Freedom Business and its guests.
12. **Parking.** It is understood that Freedom Business will be provided with \_\_\_\_ # of guaranteed parking spots. This parking will be located at: \_\_\_\_\_, with additional parking to be provided at: \_\_\_\_\_. Persons parking in the designated areas should proceed to the assigned slips via: [SPECIFIED PATH] \_\_\_\_\_.
13. **Storage.** A storage area (check one) \_\_\_\_ is \_\_\_\_ is not included in the Slip Agreement. If included, Freedom Business shall be provided access to storage area to be used in the course of normal business operations at: \_\_\_\_\_. If not included, parties must enter into a separate agreement for Freedom Business' lease of storage space.
14. **Office Space.** Office space (check one) \_\_\_\_ is \_\_\_\_ is not included in the Slip Agreement. If included, Freedom Business shall be provided access to the office space to be used in the course of normal business operations at: \_\_\_\_\_. If not included, parties must enter into a separate agreement for Freedom Business' lease of office space. If no office space is provided, Freedom Business must maintain a trailer in parking lot adjacent to the Slips for the duration of the term in order to satisfy its business purposes.
15. **Winter Storage.** Winter storage (check one) \_\_\_\_ is \_\_\_\_ is not included in the Slip Agreement. If included, Freedom Business shall be provided access to winter storage to be used from \_\_\_\_\_ to \_\_\_\_\_. If not included, parties must enter into a separate agreement for Freedom Business' lease of winter storage space.
16. **Boat Storage.** Boat storage (check one) \_\_\_\_ is \_\_\_\_ is not included in the Slip Agreement. If included, Freedom Business shall be provided access to boat storage to be located at \_\_\_\_\_. If not included, parties must enter into a separate agreement for Freedom Business' lease of boat storage space.
17. **Discounted Fuel.** It is understood that Freedom Business shall receive a premium discount for fuel at a rate of \_\_\_\_% of the daily price per gallon.
18. **Insurance.** It is understood that upon signing of this Addendum, Freedom Business will provide a certificate of insurance providing evidence of the following revised insurance requirements: \_\_\_\_\_.
19. **Rights of Third-Party Beneficiary.** Freedom Business is a franchisee of Freedom Franchise System LLC, a Florida limited liability company. The parties agree that Freedom Franchise



Systems, LLC's affiliate, Freedom Boat Club, LLC (FBC) shall be a third-party beneficiary under the Slip Agreement and this Addendum.

20. **Default.** In the event Freedom Business defaults under any of its obligations under the Slip Agreement or this Addendum, Marina Owner shall mail FBC a copy of any written notices of default provided to Freedom Business, to the following address:

Freedom Boat Club, LLC  
10975 Hughey Kimal Drive  
Venice, FL 34292

Upon receiving such notice, FBC may, but is under no obligation to, cure the default within 30 days after receipt of the written notice (or such other reasonable length of time if the default is not capable of being cured within 30 days), and take immediate occupancy of the Slips under the Slip Agreement.

21. **Assignment.** Marina Owner and Freedom Business agree that, if requested by FBC and in FBC's sole and absolute discretion, Marina Owner and Freedom Business shall assign Freedom Business' interests in this Slip Agreement to FBC or FBC's designee. Such assignment shall be conditioned upon FBC curing any defaults of Freedom Business under the Slip Agreement. Approval of such assignment or transfer shall not be unreasonably withheld by Marina Owner.

**REAFFIRMATION; NO FURTHER CHANGES.** Except as specifically modified in this Addendum, all of the terms, conditions and provisions of the Slip Agreement are reaffirmed in their entirety, and will remain in full force and effect as originally written and signed. In the event of any inconsistency between the provisions of the Slip Agreement and this Addendum, the terms of this Addendum shall control.

### 3. SIGNATURES

| [Marina Owner]           | [Appropriate FBC Entity] |
|--------------------------|--------------------------|
| By: _____<br>(signature) | By: _____<br>(signature) |
| Name: _____<br>(printed) | Name: _____<br>(printed) |
| Title: _____             | Title: _____             |
| Date: _____              | Date: _____              |



**EXHIBIT H-7**

**FREEDOM BOAT CLUB FRANCHISE**

**SAMPLE FREEDOM FRANCHISE EQUIPMENT EXCLUSIVITY AGREEMENT**

(the “Agreement”)

Dated as of \_\_\_\_\_, \_\_\_\_\_

**PARTIES**

**BETWEEN:** \_\_\_\_\_ (the “**Freedom Franchisee**”),  
with \_\_\_\_\_ primary \_\_\_\_\_ offices located at \_\_\_\_\_.

**AND:** Brunswick Corporation (“**Brunswick**”) with its headquarters located at 26125 N. Riverwoods Blvd., Suite 500, Mettawa, IL 60045.  
Brunswick and the Freedom Franchisee, when referred to together herein shall be referred to as the “**Parties**”.

**RECITALS**

- A. Freedom Franchisee is in the business of owning and operating a Freedom Boat Club franchise business comprised of at least one on-water club location (the “**Freedom Club**”) pursuant to that certain Franchise Agreement by and between Freedom Franchise Systems, LLC and Freedom Franchisee (the “**Franchise Agreement**”) that is anticipated to remain active and in force for the duration of the Term.
- B. Freedom Franchisee has previously signed and returned a Capability Survey and Confidentiality Agreement (the “**NDA**”).
- C. Freedom Franchisee has entered or agrees to enter into, as soon as possible, a Freedom Franchise Fleet Program Agreement with Brunswick Family Boat Co. Inc., d/b/a Bayliner, Heyday Inboards and Heyday Wake Boats, Boston Whaler, Inc., Brunswick Leisure Boat Company, LLC, d/b/a Harris and Cypress Cay, Thunder Jet Boats, Inc., Lund Boat Company, the Sea Ray, Crestliner and Lowe Boats Divisions of Brunswick Corporation and any other Brunswick boat brands (collectively referred to herein as “**BBG**”) (the “**Fleet Agreement**”).
- D. Freedom Franchisee has entered or agrees to enter into, as soon as possible, a Mercury Marine Boat Club Service Agreement for the sale and service of marine engines (“**Engines**”) with the Mercury Marine division of Brunswick Corporation (“**Mercury**”) (the “**Engine Agreement**”).
- E. Brunswick, through its BBG and Mercury affiliates, is in the business of manufacturing fiberglass and aluminum recreational boats, and marine engines under the brand names utilized by BBG and Mercury (the “**Equipment**”).
- F. Freedom Franchisee wishes to purchase Engines and Boats from Brunswick, and its BBG and Mercury affiliates, subject to the exclusivity obligations set forth below.

**AGREEMENT**

Now, therefore, for and in consideration of the mutual covenants set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

**1. Equipment Exclusivity.**



- a. Except as otherwise set forth in this Agreement, during the Term, Freedom Franchisee shall not purchase Equipment other than Equipment manufactured by BBG, Mercury, Brunswick or their affiliates (the “**Exclusivity Condition**”).
2. **Equipment Purchase Relationships.**
  - a. Freedom Franchisee hereby agrees that it shall not enter into any other agreements of the same nature as the Fleet Agreement, the Engine Agreement or this Agreement, or be party to any other supply agreements with manufacturers that compete with BBG, Mercury, Brunswick or their affiliates.
  - b. As set forth in the recitals, Freedom Franchisee hereby agrees to the terms set forth in the Fleet Agreement for the purchase of Boats and the Engine Agreement for the purchase of Engines, which shall govern the purchase of Boats and the purchase of Engines, respectively. In the event of a conflict between those agreements and this Agreement, this Agreement shall govern.
3. **Equipment Forecasting and Logistics.**
  - a. In furtherance of the Fleet Agreement, and in addition to the BBG Annual Purchase Target process, promptly after the beginning of the Term and on or before the twentieth (20th) day of the first month of each quarter during the Term, Freedom Franchisee shall provide to BBG and/or Mercury, as applicable, a good faith, estimated eighteen (18)-month forecast setting forth Freedom Franchisee’s projected delivery requirements for the Equipment on a month-by-month basis (each, a “**Forecast**” and collectively, the “**Forecasts**”). Freedom Franchisee shall submit firm orders for Equipment as projected for the nearest twelve (12) months of each Forecast during the Term. Normal requested delivery dates shall be approximately twelve (12) months from the end of the calendar month in which an order is placed to the extent the order is consistent with the Forecasts. BBG shall have 30 days from the submission of an order to confirm if it can fulfill the order in line with the anticipated delivery date.
  - b. Freedom Franchisee is a year-round Freedom Boat Club location, and as such, Freedom Franchisee will make reasonable best efforts to ensure that its Forecasts and orders exclude deliveries during the delivery months of March, April or May.
  - c. Should (i) BBG be unable to fulfill an order if properly Forecast for any reason or (ii) should BBG not offer a category of Boat which meets Franchisee’s needs, Freedom Franchisee may contract with other boat manufacturers for the purchase of boats, provided that they are equipped with Mercury Engines.
  - d. Should Freedom Franchisee anticipate the need to purchase Equipment from someone other than BBG, Mercury, Brunswick or their affiliates in furtherance of Section 3.c. above, Freedom Franchisee shall give Brunswick written notice of same via email to: Jake.Elkins@freedomboatclub.us and shall disclose to Brunswick: (i) the make and model of the vessel(s) purchased; (ii) the make and model of the engines; and (iii) all terms and conditions of the purchase.
4. **Term, Termination.** The term of this Agreement shall be 5 years (the “Term”), from \_\_\_\_\_, \_\_\_\_\_ (the “**Commencement Date**”) to \_\_\_\_\_, \_\_\_\_\_, or until the termination of the Franchise Agreement, whichever is later, and subject in all cases to earlier termination pursuant to the terms of this Agreement. Brunswick and Freedom Franchisee acknowledge and agree that if Freedom Franchisee continues to purchase Boats or Engines after this Agreement expires without the execution and delivery of a new agreement, there is no tacit, deemed or other renewal or extension of this Agreement, but if Brunswick continues to sell Boats or Engines to Freedom Franchisee after termination or expiration of this Agreement, Freedom Franchisee shall continue to abide by the Specification Condition. Either Party may, upon thirty (30) days written notice to the other Party, stating the reasons therefore, terminate this Agreement upon the other Party’s breach or default of any of the obligations, covenants, representations, warranties, or duties imposed in this Agreement, provided that the breach or default has not been



cured during the notification period. In addition, this Agreement shall terminate if the underlying Franchise Agreement, Fleet Agreement or Engine Agreement is terminated or expires.

**5. Miscellaneous Terms.** The following terms shall be applicable to all purchases made pursuant to this Agreement.

- a. **Authority.** Freedom Franchisee has the power to make, deliver and perform under this Agreement and the person executing and delivering this Agreement is authorized to do so on behalf of Freedom Franchisee
- b. **Indemnification.** Freedom Franchisee shall defend, indemnify and hold Brunswick, BBG, Mercury, their subsidiaries and affiliates (collectively, “**Brunswick Indemnitees**”), harmless from all actions, settlements, judgments, awards, costs, damages, liabilities and expenses, including reasonable attorney’s fees (collectively, “**Damages**”) incurred by any Brunswick Indemnitees as a result of any third party claim against any Brunswick Indemnitees arising from Freedom Franchisee’s purchase, ownership and/or operation of the Boats or Engines.
- c. EXCEPT IN THE CASE OF A CLAIM FOR INDEMNIFICATION PURSUANT TO SECTION 5b FOR PERSONAL INJURY OR DAMAGE TO PROPERTY OTHER THAN TO THE EQUIPMENT ITSELF, NEITHER PARTY SHALL CLAIM OR SEEK TO CLAIM PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES AS A RESULT OF ANY DEFAULT OF THIS AGREEMENT AS AGAINST THE OTHER PARTY. THE PARTIES HEREBY EXPRESSLY WAIVE AND DISCLAIM ANY SUCH CLAIMS OR RIGHTS RELATING TO PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES.
- d. **Compliance and Policies.** Freedom Franchisee is in compliance in all material respects with all applicable laws and contracts relating to this Agreement and the operation of its business; and Freedom Franchisee has obtained all material licenses, authorizations, approvals, consents or permits required by applicable laws to conduct its Business generally and to perform its obligations under this Agreement. Freedom Franchisee must comply with those obligations that may be imposed or established by Brunswick, including, but not limited to Brunswick’s Integrity playbook available at <https://www.brunswick.com/corporate-responsibility/brunswick-policies-practices-standards/ethics-code-of-conduct>. There are no third-party beneficiary rights to such policies and procedures or this Agreement.
- e. **No Agency Created.** It is understood and agreed that Freedom Franchisee is not, nor shall it at any time represent itself to be, the agent, employee, or representative of Brunswick for any purpose. Freedom Franchisee shall not enter into any contract or commitment in the name of or on behalf of Brunswick. Brunswick has no fiduciary duty to Freedom Franchisee pursuant to this Agreement or the relationship between the parties.
- f. **Assignment.** This Agreement is made and entered into with the distinct understanding that it is personal with Freedom Franchisee. Accordingly, Freedom Franchisee shall not assign, sell, transfer, convey or pledge (collectively referred to herein as an “assignment”) this Agreement or any of its rights or obligations hereunder, whether by operation of law or otherwise, without the express prior written consent of Brunswick.
- g. **Entire Agreement.** This Agreement contains the entire agreement between the Parties and may not be amended or modified except by written instrument signed by Brunswick and Freedom Franchisee that expressly references this Agreement. Failure on the part of Brunswick or Freedom Franchisee to enforce any term of this Agreement shall not constitute a waiver thereof. Any provision of this Agreement which in any way contravenes or is unenforceable under applicable law shall not apply and shall be deemed separable and not to be a part of this Agreement without affecting the validity of the remaining provisions. Notwithstanding the foregoing, in the event of a conflict between



the Fleet Agreement or the Engine Agreement and this Agreement, this Agreement shall govern.

- h. **Force Majeure.** Brunswick shall not be liable or responsible to Freedom Franchisee, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement, if such failure or delay is caused by or results from acts beyond Brunswick's control, including: (a) acts of nature; (b) flood, fire, earthquake or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) requirements of law or changes of law or regulations adversely affecting the sale or the requirements for sale of the Equipment; (e) actions, embargoes or blockades that come into effect after the date of this Agreement; (f) action by any governmental authority (whether or not having the effect of law); (g) epidemics; (h) national or regional emergency; (i) strikes, labor stoppages or slowdowns or other industrial disturbances; (j) delays in receiving raw materials; (k) delays in transport caused by third-party carriers; or (l) other similar circumstances beyond its control.
- i. **Class Action Bar.** Brunswick and Freedom Franchisee agree that any proceeding will be conducted on an individual basis and that any proceeding between Brunswick Corporation and any of its affiliates, including Freedom Boat Club, LLC, Freedom Franchise Systems, LLC, Brunswick and any of Brunswick's officers, directors and employees, on the one hand and Freedom Franchisee or any of Freedom Franchisee's officers, directors, owners, guarantors or employees on the other hand, may not be (i) conducted on a class-wide basis (ii) commenced, conducted or consolidated with any other proceeding, (iii) joined with any claim of an unaffiliated third-party, or (iv) brought on Freedom Franchisee's behalf by any association or agent.
- j. **Confidentiality.** Freedom Franchisee shall continue to be bound by the terms of the NDA. Furthermore, Freedom Franchisee the existence of this Agreement and its specific terms may only be disclosed by Freedom Franchisee pursuant to court order, or similar legal obligation unless Brunswick agrees in writing to any such disclosure. Brunswick may disclose the existence and terms of this Agreement as it determines appropriate.
- k. **Governing Law, Venue, and Jury Trial Waiver.** This Agreement has been entered into in Sarasota County, Florida and shall be governed by the laws of the State of Florida, without regard to the conflict of laws rules of any state. The Parties hereby consent to personal jurisdiction in the Courts having jurisdiction over Sarasota County, Florida. The sole and exclusive venue for any action arising out of or related to this Agreement or the relationship between the Parties shall be in the courts having jurisdiction over Sarasota County, Florida. **EACH PARTY HEREBY WAIVES ANY RIGHT SAID PARTY MAY HAVE TO A TRIAL BY A JURY IN ANY ACTION ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE RELATIONSHIP BETWEEN THE PARTIES.**
- l. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument, and shall become effective when one or more counterparts have been signed by each Party and delivered (by telecopy, electronic delivery or otherwise) to the other Party.



IN WITNESS WHEREOF, the Parties have executed this Agreement by their respective authorized representatives as of the date first set forth above.

Brunswick Corporation

\_\_\_\_\_  
Freedom Franchisee

By: \_\_\_\_\_  
(signature)

By: \_\_\_\_\_  
(signature)

Name: **Cecil Cohn** \_\_\_\_\_  
(printed name)

Name: \_\_\_\_\_  
(printed name)

Title: **President, Freedom Boat Club Network**

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



**EXHIBIT H-8**

**FREEDOM BOAT CLUB FRANCHISE**

**SAMPLE BOATCLASS AGREEMENT**





## SAMPLE BOATCLASS AGREEMENT

This BoatClass Agreement (this “Agreement”) dated as of \_\_\_\_\_ (the “Effective Date”), is by and between Freedom Business Services, LLC, a Florida limited liability company (“FBS”) and [FRANCHISEE LEGAL ENTITY NAME], a [STATE OF FORMATION] [LEGAL ENTITY TYPE] (“Franchisee” and together with FBS, the “Parties”).

WHEREAS, Franchisee is a Freedom Boat Club franchisee operating a boat club (the “Freedom Business”) which operates in the [REGION] market (the “Club”) pursuant to a franchise agreement by and between Franchisee and Freedom Franchise Systems, LLC (the “Franchise Agreement”).

WHEREAS, in furtherance of the Freedom Business, Franchisee has experience providing on the water boating training courses with certified captains (“Captains”) employed by Franchisee;

WHEREAS, FBS is expanding an on the water boater training program under the name “BoatClass” with the goal of finding interested consumers (“Trainees”) who may also be interested in using their training to join Freedom Boat Club or obtain further expertise on the water;

WHEREAS, Franchisee desires to participate in the BoatClass program (the “Program”) subject to the terms and conditions outlined in this Agreement; and

THEREFORE, the Parties mutually desire to enter into this Agreement on the following terms and conditions :

1. Term. The “Term” of the Program will be from the Effective Date of this Agreement until 11:59 p.m. EST on December 31, 2025.

2. Program Participation: By signing this Agreement, Franchisee agrees to participate in the 2025 BoatClass Program by marketing, supporting, and operating on the water boating BoatClass training courses (“Courses”) at its Club. Franchisee agrees to offer at least two Course classes per week during the months indicated in the Franchisee’s completed onboarding survey, which shall be the same or similar curriculum and taught by the same Franchise employees who execute the Freedom Boat Club new member orientation training. The Course curriculum offered must be slightly modified from the Freedom Boat Club new member orientation training to include additional docking repetition in replacement of the portion that educates new members about the reservation system and the checkout process.

3. Program Operation Requirements & Responsibilities:

- i. Franchisee shall ensure that all Trainees must be at least 21 years old to participate in a Course, and each class is limited to no more than two (2) Trainees at one time. Franchisee shall ensure that all its Trainees satisfy the minimum age requirements.
- ii. Franchisee agrees to provide its designated FBS representative(s) with its anticipated training schedule consisting of at least two training classes per week (“Training Schedule”) for the Term of this Agreement within five (5) business days from execution of this Agreement. FBS shall then establish a landing page for the Franchisee that publishes the Club’s Training Schedule. FBS will also provide Franchisee and its designated staff with access and training to the scheduling software and platform.



- iii. Franchisee is responsible for the day-to-day operations of the Program at its Club, including but not limited to the scheduling of Captains for anticipated Courses and cancellations of a class due to inclement weather, or otherwise.
- iv. Franchisee agrees to identify one boat within its fleet as a BoatClass training vessel to perform the Courses as required by the Program. Franchisee agrees to designate that boat within the reservation system by using the BoatClass ID. In the event there are no training reservations scheduled forty-eight hours (48) prior to a particular day of the Training Schedule, or if inclement weather impedes a safe training class, Franchisee may release the designated training vessel for other purposes. The use of Brunswick branded product, including boats, engines, and parts and accessories (“Brunswick Product”), throughout the Program participation is encouraged. If Brunswick Product is unavailable, the Franchisee must adhere to the marketing guidelines as outlined in the Marketing Playbook (as defined below).
- v. Franchisee agrees to manage cancellations of a training class when they do occur, including appropriate notification of the affected Trainees through the scheduling software who will receive a coded voucher to reschedule their Course.
- vi. All Trainees must adhere to the applicable terms and conditions of the Course, which will be communicated, agreed to, and signed electronically through the online scheduling platform. Those terms and conditions shall be in a form similar to that provided in Exhibit A. Franchisee shall be responsible for ensuring strict compliance with the applicable terms and conditions, including, for example, prohibiting alcohol use and picking up additional passengers, and must cease training immediately if Trainees violate their terms and conditions. Trainees shall not be able to schedule a Course without first agreeing to the terms and conditions as outlined herein.
- vii. Before participating in a Course, all Trainees must execute a participant waiver and release in a form the same or substantially similar to that provided in Exhibit B. Franchisee and its personnel are responsible for ensuring that each Trainee reviews, understands, and executes the participant waiver prior to starting any Course. Franchisee shall also maintain and retain the executed waivers for the duration of the Program, and as otherwise required by applicable law and/or regulation. For the avoidance of doubt, under no circumstances can a Trainee proceed to participate in a Course without first executing a participant waiver.
- viii. Franchisee shall be responsible to confirm that both the terms and conditions and the waiver have been agreed to before allowing a Trainee to proceed with taking a Course.
- ix. Franchisee shall have full knowledge and understanding of all state and local boating education requirements and verify that a Trainee has completed any and all necessary requirements before allowing a Trainee to proceed with participation in the Course.
- x. In order to properly document the successful completion of each Trainee’s participation in a Course, the Franchisee shall be responsible to upload the following documents under the uniquely assigned BoatClass location name in Sales Force: a) the completed and signed BoatClass Operations Checklist as provided in the BoatClass Dockside app; and b) the executed waiver and release.
- xi. The Parties agree to conduct regularly scheduled operations meetings throughout the Term to share best practices, and to collaborate about optimizing the Program.
- xii. FBS shall own all Trainee information and data collected through the Program (“Trainee Data”). FBS hereby grants Franchisee a limited use license of the Trainee Data for the purposes of lead generation in its Freedom Business. Any other use of the Trainee Data is strictly prohibited, except to the extent it is required to be used for Franchisee to fulfill its obligations under this Agreement.



4. Program Marketing Support & Responsibilities:

- i. FBS agrees to produce and manage a marketing campaign, including the creation of brand creative and a marketing playbook to drive Trainees to the Program (“Marketing Playbook”) and support lead generation activities related to the Program while further integrating additional FBS affiliates and programs into the BoatClass experience.
- ii. Franchisee agrees to provide FBS with a forecast for all marketing point of purchase (“POP”) and staff uniform (“Uniforms”) required, including specifications and sizes. POP and Uniforms must be sourced through FBS’ resources, and Franchisee shall be responsible for the costs and expenses in procuring any items under this section. For all other marketing collateral such as posters, postcards, etc., the Franchisee shall be responsible to localize the templates provided in the Marketing Playbook and source the marketing materials locally at Franchisee’s sole expense.
- iii. For the avoidance of doubt, Franchisee shall at all times be responsible to bear the sole expense for all marketing materials and collateral.

5. Financial Considerations:

- i. Franchisee agrees to bear the sole expense and costs for the operation of the Program including but not limited to slip space, fleet capacity, Captain’s salary, insurance, fuel, registration, and maintenance of its fleet and the designated training vessel at commercially reasonable operational standards that support a positive experience for all Trainees. Franchisee is also responsible for all marketing related costs as outlined in section 4 above.
- ii. Franchisee agrees to reimburse FBS for the Program costs related to the Calendly scheduling platform in the amount of \$190 to be deducted from the first remittance due from FBS pursuant to Section 5.vi. below.
- iii. FBS agrees to bear Program costs related to development and maintenance of the BoatClass.com landing page, creative services, and other digital marketing services (excluding paid advertising.)
- iv. Franchisee and FBS agree that the standardized pricing model for the 2025 Program is: \$199.00 per student for weekday classes and \$249.00 per student for weekend classes, as well as any applicable tax. The standardized pricing model for the 2025 Program may be modified by FBS throughout the Term of this Agreement for promotional offers, which will be communicated to Franchisee in advance.
- v. FBS shall collect all revenue related to the Program directly from Trainees through the Stripe payment processing service, which will be directed to an FBS managed bank account.
- vi. By no later than thirty (30) days after the end of each calendar quarter, FBS shall remit to Franchisee the net amount equal to its revenue generated and received through the FBS managed bank account and earned for Trainees who participated in a BoatClass course at Franchisee’s Club during the calendar quarter, less a six percent (6%) service fee that shall be retained by FBS and any applicable Stripe payment processing fees.
- vii. FBS agrees to provide Franchisee with monthly reports that reflect marketing key performance indicators, as well as sales totals and revenue generated for the Franchisee’s Club.



6. Insurance: Throughout the Term, Franchisee shall ensure that all insurance policies are maintained and remain in full force and effect at levels equal to or exceeding those required to operate the Freedom Business as indicated in the brand standards manual and its executed Franchise Agreement.

7. Discounted Entry Fee Offer. By agreeing to participate in the Program, Franchisee agrees to participate in and sponsor an offer available to Trainees who successfully complete a Course at Franchisee's participating Club. That offer shall provide an eligible Trainee with a discount of up to One Thousand Dollars (\$1,000) off the applicable entry fee to join Freedom Boat Club at Franchisee's participating Club. That discount may be combined with other local promotional offer(s) and is subject to terms and conditions in a form substantially similar to that outlined in Exhibit C.

8. Intellectual Property.

- i. FBS owns all "BoatClass" trademarks, service marks, trade designations, trade dress, trade names, or any other registered or unregistered intellectual property developed under or relating to the Program (the "BoatClass Marks").
- ii. To the extent Franchisee is deemed to have any ownership interests in the BoatClass Marks, Franchisee hereby assigns, and shall assign, to FBS all right, title and interest in each of the BoatClass Marks.
- iii. Franchisee shall have a limited license to use the BoatClass Marks during the Term for the sole purpose of performing its duties hereunder and for promoting and marketing BoatClass (to the extent applicable).
- iv. After the expiration of the Term, or if this Agreement is terminated, Franchisee shall discontinue its use of any and all BoatClass Marks.

9. Mutual Indemnity. Each of Franchisee and FBS (in such capacity, the "Indemnitor") shall indemnify and hold harmless the other party (the "Indemnitee"), the Indemnitee's subsidiaries, parent companies, affiliates, licensees, and assigns, and their respective officers, directors, successors, subcontractors, assigns, and customers against and from any and all claims, losses, costs, damages, judgments, penalties, and liabilities of any kind (including attorneys' fees) arising out of or relating to the Indemnitor's breach of this Agreement or any act or omission of the Indemnitor or the Indemnitor's directors, officers, employees, agents, or subcontractors.

10. Non-Exclusivity. For the avoidance of doubt, nothing in this Agreement imposes any exclusivity obligations on Franchisee or FBS (whether directly or through the BoatClass program).

11. Independent Contractors. The Parties are independent contractors, and nothing contained in this Agreement shall create some other relationship. Neither Party may assume or create any obligation or make any representation on behalf of the other, except as expressly provided in this Agreement.

12. Personnel. FBS will not have the power to hire or fire employees of Franchisee and Franchisee alone is solely responsible for all hiring and employment decisions relating to the BoatClass Program offered at the Freedom Business, including, without limitation, those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, bonuses, taxes, safety, schedules, conditions, assignments, personnel policies, benefits, recordkeeping, supervision, grievances, discipline and termination of employees, regardless of whether Franchisee has received advice from FBS on these subjects or not. Franchisee agrees that any direction Franchisee receives from FBS regarding



employment policies should be considered as examples, that Franchisee alone is responsible for establishing and implementing its own policies, and that Franchisee understands that Franchisee should do so in consultation with local legal counsel well-versed in employment law. Subject to applicable law, Franchisee agrees to conduct criminal background checks on all employees or independent contractors who would have customer-facing roles at the FBC Business. All employees or independent contractors hired by or working for Franchisee will be Franchisee's employees or independent contractors alone and will not, for any purpose, be deemed employees of FBS, its parent company or affiliates, or subject to FBS's control, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. FBS will have no obligation to direct Franchisee's employees. Neither this Agreement nor FBS's course of conduct is intended, nor may anything in this Agreement (nor FBS's course of conduct) be construed, to state or imply that FBS is the employer of Franchisee's employees and/or independent contractors, nor vice versa. Franchisee agrees to inform each of the FBC Business' employees that Franchisee alone is their employer, and that FBS is not. Franchisee and FBS will each file its own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation payments with respect to each's respective employees and operations, as applicable and will each save and indemnify the other of and from any liability of any nature whatsoever by virtue thereof.

All personnel employed by Franchisee at the FBC Business shall maintain such standards of decorum and demeanor as shall be established by FBS and the Program.

13. Confidentiality. The terms of this Agreement, including the rights, duties, and obligations of the parties and any financial or proprietary information provided by the parties in connection with this Agreement are strictly confidential between the parties (the "Confidential Information"). The parties shall not disclose or divulge any of the Confidential Information to any other party. The parties shall plainly mark all tangible documents or materials relating to or containing such Confidential Information to prevent unauthorized use or reproduction. This paragraph shall survive the termination of this Agreement and is supplementary to any previously executed Non-Disclosure Agreements executed between the Franchisee and FBS or its affiliates which shall survive execution of this Agreement and are incorporated herein by reference.

14. Assignment; Delegation; Subcontract. FBS shall have the right to assign its rights hereunder, delegate its duties hereunder, or enter into a subcontracting arrangement with respect to this Agreement, including with the parent, a subsidiary, or an affiliate of FBS.

15. Publicity. FBS shall have the right to use images of Franchisee and its Club on FBS or an affiliate's website, marketing and advertising materials, or any other location as FBS wishes for the purpose of marketing the Program.

16. Governing Law. The validity, interpretation, enforceability, and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

17. Controlling Document. Except as specifically defined herein, all the terms, conditions and provisions of Franchisee's franchise agreement remain in full force and effect as originally written and signed and are not modified or altered by either Party's execution of this Agreement. In the event of any inconsistency, ambiguity, and/or discrepancy between the provisions of this Agreement and Franchisee's franchise agreement, the terms of the franchise agreement shall control.



IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first written above.

**FREEDOM BUSINESS SERVICES, LLC**

Signed: \_\_\_\_\_

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

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

**[FRANCHISEE ENTITY]**

Signed: \_\_\_\_\_

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

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



**EXHIBIT H-9**

**FREEDOM BOAT CLUB FRANCHISE**

**SAMPLE SATELLITE AMENDMENT TO FRANCHISE AGREEMENT**

This Satellite Amendment to the Franchise Agreement ("Satellite Amendment") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between Freedom Franchise Systems, LLC, a Florida limited liability company ("Franchisor") and \_\_\_\_\_, a \_\_\_\_\_ ("Franchisee").

**BACKGROUND**

A. Franchisor and Franchisee have entered into that certain Freedom Boat Club Franchise Agreement dated \_\_\_\_\_ pursuant to which Franchisee is operating a Freedom Boat Club franchise at: \_\_\_\_\_ (the "Franchise Agreement").

B. **[Franchisor has approved of Franchisee's request to allow Franchisee to expand its operations under the Franchise Agreement to add a satellite location] or [Pursuant to the development addendum entered into concurrently with the Franchise Agreement ("Development Addendum")], Franchisor has agreed to permit Franchisee to expand its operations under the Franchise Agreement to add a satellite location],** which shall be located at: \_\_\_\_\_ ("Satellite Location").

C. Franchisor and Franchisee desire to amend the terms of the Franchise Agreement by incorporating the terms of this Satellite Amendment into the Franchise Agreement. Capitalized terms not defined in this Satellite Amendment shall have the meanings set forth in the Franchise Agreement.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and promises of the parties and subject to the following terms and conditions, it is agreed as follows:

1. **SATELLITE LOCATION.** Franchisor grants Franchisee the right to operate the Satellite Location pursuant to Section I.C. of the Franchise Agreement provided that Franchisee pays Franchisor a non-refundable satellite location fee of \$\_\_\_\_\_ on or prior to the date of this Satellite Amendment. The Satellite Location must be open for business on or before \_\_\_\_\_, or Franchisor may immediately terminate Franchisee's rights to operate the Satellite Location and keep the satellite location fee **[and Franchisee's protected territory will be decreased as described under the Development Addendum]**. Any reference to the Club in the Franchise Agreement **[and the Development Addendum]** and Franchisee's obligations to operate the Club shall include and apply equally to the initial Franchise Location and the Satellite Location (as well as to any other satellite locations).

Paragraph 4 of Attachment A of the Franchise Agreement is hereby amended and restated as follows:

"4. **Franchise Location.** The Franchise Location is: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_"

Paragraph 1 of Attachment A-1 of the Franchise Agreement is hereby amended and restated as follows:





“The Franchise Location as referenced in the Franchise Agreement shall be as follows: \_\_\_\_\_”

2. **WAIVER AND RELEASE.** As a material inducement for Franchisor to enter into this Satellite Amendment and grant the rights described in this Satellite Amendment to Franchisee, Franchisee (and its owners if Franchisee is an entity) shall sign the Waiver and Release of Claims attached hereto as Attachment 1.

3. **FURTHER ASSURANCE.** Each of the parties will, upon reasonable request of the other, sign any additional documents necessary or advisable to fully implement the terms and conditions of this Satellite Amendment.

4. **REAFFIRMATION; NO FURTHER CHANGES.** Except as specifically modified in this Satellite Amendment, all of the terms, conditions and provisions of the Franchise Agreement (including provisions for notice, construction and dispute resolution) are reaffirmed in their entirety, and will remain in full force and effect as originally written and signed. In the event of any inconsistency between the provisions of the Franchise Agreement and this Satellite Amendment, the terms of this Satellite Amendment shall control.

IN WITNESS WHEREOF, Franchisor and Franchisee have executed this Satellite Amendment as of the date first appearing above.

**FRANCHISOR:**

**FRANCHISEE:**

FREEDOM FRANCHISE SYSTEMS, LLC

\_\_\_\_\_

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

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

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

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

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

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





## **ATTACHMENT 1 TO SATELLITE AMENDMENT TO FRANCHISE AGREEMENT**

### **WAIVER AND RELEASE OF CLAIMS**

This Waiver and Release of Claims ("Release") is made as of \_\_\_\_\_, 20\_\_\_\_ by \_\_\_\_\_, a \_\_\_\_\_, ("Franchisee"), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, "Releasor") in favor of Freedom Franchise Systems, LLC, a Florida limited liability company ("Franchisor," and together with Releasor, the "Parties").

**WHEREAS**, Franchisor and Franchisee have entered into a Franchise Agreement dated \_\_\_\_\_ ("Franchise Agreement") pursuant to which Franchisee was granted the right to own and operate a Freedom Boat Club business at: \_\_\_\_\_;

**WHEREAS**, Franchisor and Franchisee have entered into that certain Satellite Amendment to the Franchise Agreement dated the same date as this Release permitting Franchisee to operate a satellite location at \_\_\_\_\_ (the "Satellite Amendment"). The Franchise Agreement and the Satellite Amendment are collectively referred to in this Release as the "Agreement," and

**WHEREAS**, as a condition to Franchisor's consent to enter into the Satellite Amendment, Releasor has agreed to execute this Release upon the terms and conditions stated below.

**NOW, THEREFORE**, in consideration of Franchisor's consent, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. **Representations and Warranties.** Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred, or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims, or obligations being terminated and released hereunder. Each individual executing this Release on behalf of Franchisee represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

2. **Release.** Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit, and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries, or related companies, divisions, and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the "Released Parties"), from any and all claims, liabilities, damages, expenses, actions, or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions, or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the franchise related thereto, except to the extent such liabilities are payable by the applicable indemnified party in connection with a third-party claim.

3. **Full Release.** Except as is set forth in this Release, the Parties intend that this Release shall be effective as a full and final accord and satisfaction and release as to the Released Parties and shall



extend to all matters, claims, demands, actions or causes of action of any kind or nature whatsoever which Releasor may have against the Released Parties. The Parties acknowledge that they may hereafter discover facts in addition to, or different from, those which they now know or believe to be true with respect to the subject matter of this Release or the Agreement, but that, notwithstanding the foregoing, it is their intention hereby to fully, finally, completely and forever settle and release the Released Parties and that the release given herein shall be and remain irrevocably in effect as a full and complete general release notwithstanding the existence of any such additional or different facts. [In furtherance of this intention, the Parties acknowledge that they have read and understand the significance and consequences of Section 1542 of the Civil Code of the State of California (and any similar statutes and principles of law in California and other jurisdictions) 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.”

Nevertheless, the Parties hereby waive and relinquish every right or benefit which they have under Section 1542 of the Civil Code of the State of California (and any similar statute and principle of law), and under any similar law of any other applicable jurisdiction and understand the consequences of such waiver and assume full responsibility for any injuries, damages and losses which it may incur in connection with this release.]

4. Confidentiality. Releasor agrees to hold in strictest confidence and not disclose, publish, or use the existence of, or any details relating to, this Agreement to any third party without Franchisor's express written consent, except as required by law.

5. Miscellaneous.

a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the State of Florida.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders, and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all of the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.



g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

h. Releasor agrees to do such further acts and things and to execute and deliver such additional agreements and instruments as any Released Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

i. This Release is inapplicable with respect to claims arising under the Washington Franchise Investment Protection Act, chapter 19.100 RCW, and the rules adopted thereunder in accordance with RCW 19.100.220.

**IN WITNESS WHEREOF**, Releasor has executed this Release as of the date first written above.

**FRANCHISEE:**

\_\_\_\_\_

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

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

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

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

**FRANCHISEE'S OWNERS:**

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

\_\_\_\_\_  
[Insert Name of Owner]

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

\_\_\_\_\_  
[Insert Name of Owner]

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

\_\_\_\_\_  
[Insert Name of Owner]

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

\_\_\_\_\_  
[Insert Name of Owner]



**EXHIBIT H-10**

**FREEDOM BOAT CLUB FRANCHISE**

**SAMPLE DEVELOPMENT ADDENDUM TO FRANCHISE AGREEMENT**

This Development Addendum to the Franchise Agreement (“Addendum”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between Freedom Franchise Systems, LLC, a Florida limited liability company (“Franchisor,” “we,” or “us”), and \_\_\_\_\_, a \_\_\_\_\_, (“Franchisee,” “you,” or “your”).

**BACKGROUND**

A. Franchisor and Franchisee have entered into that certain franchise agreement of even date herewith (“Franchise Agreement”) pursuant to which Franchisee will operate a Freedom Boat Club Business located at \_\_\_\_\_.

B. Franchisor and Franchisee desire to amend the terms of the Franchise Agreement to incorporate certain terms of this Addendum into the Franchise Agreement. Capitalized terms not defined in this Addendum shall have the meanings set forth in the Franchise Agreement.

**AGREEMENT**

NOW, THEREFORE, in consideration of the mutual covenants and promises of the parties and subject to the following terms and conditions, it is agreed as follows:

1. **DEVELOPMENT TERRITORY.** Provided that Franchisee complies with the Development Schedule and all of the terms set forth in Section 2 of this Addendum, the Protected Territory shall consist of \_\_\_\_\_.

1. **DEVELOPMENT SCHEDULE.** In addition to the Franchise Location, the Franchisor and Franchisee have agreed to the development of additional Satellite Locations to be located in the locations described below (each a “Future Location”) in accordance with the development schedule set forth below (the “Development Schedule”). To comply with the Development Schedule, the Franchise Location and each Future Location must be completed and opened for business on or before the development deadline (the “Development Deadline”) set forth herein:

| Location                                             | Development Deadline |
|------------------------------------------------------|----------------------|
| Franchise Location                                   |                      |
| First Future Location within the Protected Territory |                      |
|                                                      |                      |
|                                                      |                      |



If the Franchisee fails to meet the Development Deadline for the Franchise Location and/or for any Future Location (a “Development Default”), then (i) the Protected Territory for the Franchise Location (if then-open) and any then-open Future Location shall consist of that portion of a \_\_\_\_ (\_\_\_\_)-mile radius surrounding each then-opened Satellite Location and Future Location(s) that is within the initial protected territory set forth in Section 1 of this Addendum; and (ii) Franchisee shall have no rights to any remaining portions of the protected territory set forth in Section 1 of this Addendum.

Franchisee understands that time is of the essence with respect to the Development Schedule. Franchisee must enter into any necessary addenda or amendments to effectuate the application of this Section 2 for Future Locations (including a Satellite Amendment to the Franchise Agreement, and Franchisee and each of Franchisee signing Franchisor’s then-current form of Waiver and Release of Claims) and pay Franchisor a satellite location fee of \$10,000 prior to opening each Future Location.

2. **FURTHER ASSURANCE.** Each of the parties will, upon reasonable request of the other, sign any additional documents necessary or advisable to fully implement the terms and conditions of this Addendum.

3. **NO FURTHER CHANGES.** Except as specifically provided in this Addendum, all of the terms, conditions and provisions of the Franchise Agreement will remain in full force and effect as originally written and signed. In the event of any inconsistency between the provisions of the Franchise Agreement and this Addendum, the terms of this Addendum shall control.

IN WITNESS WHEREOF, the parties duly executed this Addendum as of the date first above written.

**FRANCHISOR:**

**FRANCHISEE:**

FREEDOM FRANCHISE SYSTEMS, LLC

\_\_\_\_\_

|               |
|---------------|
| Sign:         |
| Printed Name: |
| Title:        |

|               |
|---------------|
| Sign:         |
| Printed Name: |
| Title:        |



**EXHIBIT H-11**

**FREEDOM BOAT CLUB FRANCHISE**

**SAMPLE FINANCING AGREEMENT**



# Financing Agreement (Freedom Boat Club)(Single Dealer)(Unaudited Financials)

*Brunswick Acceptance Company, LLC*

This Financing Agreement -- Freedom Boat (as from time to time amended, supplemented or otherwise modified and together with any Transaction Statements, as defined below, this "**Agreement**"), dated as of [Insert Date], is entered into by and between Brunswick Acceptance Company, LLC ("**BAC**"), with its chief executive office and principal place of business at 10 South Wacker Drive, Chicago, Illinois 60606, and [Boat Club Operator Name], a [State] [Corporate Structure] (" "), with its chief executive office and principal place of business at [Boat Club Operator Address] ("**Boat Club Operator**").

## Preliminary Statements

Boat Club Operator is a party to that certain Franchise Agreement (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Franchise Agreement**") by and between Freedom Franchise Systems, LLC ("**Franchisor**") as franchisor and Boat Club Operator, as franchisee. Boat Club Operator provides, pursuant to the franchise provided by Franchisor in the Franchise Agreement, a membership-only yacht and boat club (the "**Club**") that offers to Boat Club Operator's members (the "**Members**") the usage of boats at designated times and for designated time periods based on an entry fee and monthly dues. The Members execute various documents, instruments and agreements in connection with membership in the Club, including Freedom Boating Plan Agreements (the "**Plan Agreements**"), a Rules and Regulations – Membership Agreements and are provided, prior to becoming Members, a Franchise Disclosure Document (all such documents, instruments and agreements, including without limitation, the Plan Agreements, the Rules and Regulations – Membership Agreement and the Franchise Disclosure Document, as the same are amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Membership Documents**").

## Contractual Provisions

### **1. Extensions of Credit.**

(a) Subject to the terms of this Agreement, BAC may extend credit to Boat Club Operator from time to time to enable Boat Club Operator to purchase inventory consisting of Club Units (as defined below) from Brunswick Corporation and Brunswick Corporation's affiliates and other vendors approved by BAC or approved pursuant to agreements among BAC and parties related to BAC (whether one or more, individually or collectively, "**Vendor**") and for other purposes. Vendor approval is an ongoing process and depends, in part, on the total value of invoices approved by BAC with any given Vendor at any point in time. The total value of invoices approved by BAC with Vendor is subject to one or more maximum amounts separate from the amount of Boat Club Operator's credit line. After BAC is presented with an invoice and BAC has accepted such invoice, and BAC has agreed to make a payment to Vendor, such payment and all related amounts shall become due and payable pursuant to this Agreement. Boat Club Operator authorizes and directs BAC to pay, on Boat Club Operator's behalf, up to the full amount of any invoice presented to BAC from time to time or any other amount due to Vendor. BAC shall have no responsibility for the accuracy, validity, or genuineness of such invoice. BAC's decision to advance funds is at BAC's discretion. The decision by BAC to make any one advance will not obligate BAC to make any other advances. BAC may combine all of BAC's advances to Boat Club Operator, whether under this Agreement or any other agreement, whether provided by one or more of BAC's branch offices, and whether administered as separate sublimits, multiple accounts, or otherwise, together with all related finance charges, fees and expenses, to constitute one debt and loan owed jointly and severally by Boat Club Operator. Without limiting the discretionary nature of this credit facility, and without notice to Boat Club Operator, BAC may elect not to finance any Club Units sold by Vendor (a) who is in default to BAC, (b) who has exceeded or will exceed (if such Club Unit is financed) the applicable maximum amount established for such Vendor, (c) with respect to which BAC reasonably feels insecure, or (d) who BAC has determined (for any reason) is not an approved Vendor. All advances and other transactions under this Agreement are for business purposes and not for personal, family, household, or any other consumer purposes.

(b) The financing which may be provided by BAC pursuant to this Agreement will be for Collateral (as defined below) consisting of new inventory which Boat Club Operator may provide for use by the Members in the ordinary course of its business ("**Club Units**") pursuant to Plan Agreements and the other Membership Documents. Club Units may only consist of new inventory which was ordered specifically for the purpose of being a Club Unit.

**2. Financing Terms.** BAC and Boat Club Operator agree to set forth in this Agreement only the general terms of Boat Club Operator's financing arrangement with BAC because certain financial terms depend, in part, on factors which vary from time to time, including the availability of Vendor discounts, payment terms or other incentives, BAC's floor planning volume with Boat Club Operator and Vendor, and other economic factors. Upon agreeing to finance a Club Unit (or other item of inventory) for Boat Club Operator, BAC will transmit, send or otherwise make available to Boat Club Operator a "**Transaction Statement**" which is a record that may be authenticated and which identifies the Collateral (as defined below) financed and/or the advance made and the terms and conditions of repayment of such advance, including, without limitation, applicable financial terms, repayment schedule and maturity for each Club Unit. Boat Club Operator agrees that Boat Club Operator's failure to notify BAC in writing of any objection to a Transaction Statement within thirty (30) days after a Transaction Statement is transmitted, sent or otherwise made available to Boat Club Operator shall constitute Boat Club Operator's (a) acceptance of all terms thereof, (b) agreement that BAC is financing such Club Unit at Boat Club Operator's request, and (c) agreement that such Transaction Statement is incorporated in this Agreement by reference. If Boat Club Operator objects to the terms of any Transaction Statement, Boat Club Operator will pay BAC for such Club Unit (or other inventory) in accordance with the most recent terms for similar Club Units (or other inventory) to which Boat Club Operator has not objected (or, if there are no prior terms, at the lesser of 16% per annum or the maximum lawful contract rate of interest permitted under applicable law), subject to termination of this Agreement by BAC and its rights under the termination provision contained in Section 18 below. In the event of a conflict between a Transaction Statement and this Agreement, the former shall prevail. This Agreement may be supplemented by a program letter which sets forth further additional terms and conditions relating to the financing arrangement between BAC and Boat Club Operator, which such program letter may be amended from time to time. To the extent any Vendor Credits (as defined below and which includes, for the avoidance of doubt, any Vendor program subsidies (each, a "**Vendor Subsidy**")) are applicable to Boat Club Operator's financing program BAC may apply each such Vendor Credit against any amount to be paid by BAC to Vendor in connection with an advance made by Vendor to Boat Club Operator under this Agreement or may request that Vendor remit such Vendor Credit directly to BAC; provided, however, that in the event Vendor does not remit any such Vendor Credit, Boat Club Operator agrees to pay the full amount of such Vendor Credit to BAC.

### **3. Security Interest.**

(a) Boat Club Operator hereby grants to BAC a security interest in all of the Collateral as security for all Obligations.

(b) "**Collateral**" means all personal property of Boat Club Operator, whether such property or Boat Club Operator's right, title or interest therein or thereto is now owned or existing or hereafter acquired or arising, and wherever located, including all Accounts, Inventory, Equipment, Fixtures, other Goods, General Intangibles (including Payment Intangibles), Chattel Paper (whether tangible or electronic), (including all leases of goods and all accounts, payment intangibles and chattel paper arising from the sale, lease, rental, or other disposition of any inventory), Instruments (including Promissory Notes), Deposit Accounts, Investment Property and Documents and all Products and Proceeds of the foregoing. Without limiting the foregoing, the Collateral includes Boat Club Operator's right to all Vendor Credits (as defined below), the Franchise Agreement, the Plan Agreements and the Membership Documents. Similarly, the Collateral includes, all books and records, electronic or otherwise, which evidence or otherwise relate to any of the foregoing property, and all computers, disks, tapes, media and other devices in which such records are stored. Capitalized terms used but not otherwise defined in this Section shall have the meanings given to them in Article 9 of the Illinois Uniform Commercial Code.

(c) "**Obligations**" means all indebtedness and other obligations of any nature whatsoever of Boat Club Operator to BAC, whether such indebtedness or other obligations arise under this Agreement or any other existing or future agreement between or among BAC and Boat Club Operator or otherwise,

and whether for principal, Charges (as defined below), expenses, indemnification obligations or otherwise, and whether such indebtedness or other obligations are existing, future, direct, indirect, acquired, contractual, noncontractual, joint and/or several, fixed, contingent or otherwise.

(d) **"Vendor Credits"** means all of Boat Club Operator's rights to any Vendor Subsidy, price protection payments, rebates, discounts, credits, factory holdbacks, incentive payments, and other amounts which at any time are due Boat Club Operator from Vendor.

(e) In no event shall Boat Club Operator's obligations under this Agreement be secured by any interest in real property.

**4. Representations and Warranties.** Boat Club Operator represents and warrants that at the time of execution of this Agreement and at the time of each approval and each advance under this agreement:

(a) Boat Club Operator has all the necessary authority to enter into and perform this Agreement;

(b) Boat Club Operator does not conduct business under any trade styles or trade names except as disclosed by Boat Club Operator to BAC in writing (i) prior to the execution of this Agreement, or (ii) at least thirty (30) days prior to conducting business under a new trade style or trade name;

(c) Boat Club Operator has not and will not violate its organizational documents, or any law, regulation, or agreement binding upon it, by entering into or performing its obligations under this Agreement;

(d) Collateral is kept at locations within the U.S. which have been disclosed to BAC in writing (i) prior to the execution of this Agreement, or (ii) at least thirty (30) days prior to locating Collateral at such location, and, in either case, which have been approved by BAC ("**Permitted Locations**");

(e) all of the Plan Agreements, all of the other Membership Documents and all of Boat Club Operator's business activities comply and will continue to comply, in all respects, with this Agreement and all applicable Federal, state, and local laws and regulations, including all applicable merchandising practices laws;

(f) with respect to the Club Units, Boat Club Operator is in the business of furnishing such Club Units to its Members under and pursuant to the Membership Documents and is not in the business of selling goods of that kind;

(g) this Agreement correctly sets forth Boat Club Operator's true legal name, the type of its organization (if not an individual), and the state in which Boat Club Operator is incorporated or otherwise organized;

(h) all information supplied by Boat Club Operator to BAC, including any financial, credit or accounting statements or application for credit, in connection with this Agreement is true, correct and complete;

(i) Boat Club Operator has good title to all Collateral;

(j) there are no actions or proceedings pending or threatened against Boat Club Operator by Franchisor or by any Member and there are no other actions or proceedings pending or threatened against Boat Club Operator by any other person or entity which might result in any material adverse change in Boat Club Operator's financial or business condition;

(k) Boat Club Operator does not own any Margin Stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System as in effect from time to time, "Margin Stock") or engage, as one of its activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock.

(l) Boat Club Operator has and will maintain a minimum level, age and type of boats to meet its Members needs (for the avoidance of doubt, this covenant does not imply any commitment of BAC to finance any boat or boats); and

(m) Boat Club Operator is not in breach, violation or default of the Franchise Agreement, any Membership Documents or any term or provision of the Franchise Agreement or any Membership Document.

## **5. Covenants.**

(a) Boat Club Operator shall own all Collateral financed by BAC free and clear of all liens, security interests, claims and other encumbrances, whether arising by agreement or operation of law (collectively "**Liens**"), other than Liens in favor of BAC and subordinate Liens in favor of other persons with respect to which BAC shall have first consented in writing.

(b) Boat Club Operator will: (i) keep all Collateral at Permitted Locations, except to the extent such Collateral consists of Club Units which are actually in the process of being used by a Member in the ordinary course of Boat Club Operator's business (each such Member, a "**Utilizing Member**") and such Utilizing Member actually has possession of such Club Unit; and keep all tangible Collateral safe and secure, in good order, repair and operating condition and insured as required by BAC; (ii) promptly file all tax returns required by law and promptly pay all taxes, fees, and other governmental charges for which it is liable, including all governmental charges against the Collateral or this Agreement; (iii) provide BAC, upon BAC's request the physical location of each Club Unit actually in the possession of a Utilizing Member; (iv) during normal business hours and at any other time BAC deems desirable, provide access to its business locations as frequently as BAC determines to be appropriate; and permit BAC and any of its designees to inspect the Collateral (except when any such Collateral is a Club Unit that is actually in the possession of a Utilizing Member and such Utilizing Member actually has possession of such Club Unit), and to audit, inspect and make extracts and copies (or take originals if reasonably necessary) from all of Boat Club Operator's books and records, and Boat Club Operator hereby grants BAC and its designees an irrevocable license to enter Boat Club Operator's business locations during normal business hours without notice to Boat Club Operator, to account for and inspect all Collateral and all Plan Agreements and to examine and copy Boat Club Operator's books and records including those related to the Collateral and Plan Agreement, in each instance, at the Boat Club Operator's expense, and in connection with any inspection, provide BAC and its designees safe and secure access to the Collateral and Boat Club Operator's books and records and to comply with any request made by BAC or its designees to move the Collateral in order to provide such safe and secure access; (v) keep complete and accurate books of record and account, in which full, true and correct entries in conformity with generally accepted accounting principles consistently applied shall be made of all financial transactions and matters involving the assets and business of Boat Club Operator, including Club Units (and other inventory) and Plan Agreements; (vi) keep, maintain and only use Plan Agreements and other related forms and agreements which (A) have been prepared and approved by Boat Club Operator and approved by BAC in its sole discretion, (B) are transferable to BAC, (C) prohibit Utilizing Members from removing the Club Unit from the United States or to travel outside of the United States territorial seas, and (D) otherwise comply with Section 5(c)(iii) below; (vii) furnish BAC with such additional information regarding the Collateral and Boat Club Operator's business and financial condition as BAC may from time to time reasonably request (including financial statements and projections more frequently than set forth below); (viii) immediately notify BAC of the occurrence of any Default (as defined below) or other event or circumstance which, with the giving of notice or lapse of time or both would constitute a Default, including any breach, default, or event of default under the Franchise Agreement, under any Plan Agreement or Membership Document, or any material adverse change in Boat Club Operator's prospects, business, operations or condition (financial or otherwise) or in any Collateral; (ix) execute (or cause any third party in possession of Collateral to execute) all documents BAC requests to perfect and maintain BAC's security interest in the Collateral; (x) instruct each Utilizing Member regarding the proper use and care of any Club Unit utilized by such Utilizing Member and in each case, take all steps necessary to confirm and verify that each Utilizing Member has all current and necessary permits, licenses, and certificates required by any governing body for or in connection with the operation

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and utilization of such Club Unit by such Utilizing Member; (xi) at all times be duly organized, existing, in good standing, qualified and licensed to do business in each jurisdiction in which the nature of its business or property so requires and, when requested, provide BAC with documentation evidencing the same; (xii) maintain a registered agent with a street address that is authorized to receive all notices under this Agreement and all papers required by law; (xiii) notify BAC of the commencement of any material legal proceedings against Boat Club Operator or any surety, issuer of a letter of credit or any person other than Boat Club Operator primarily or secondarily liable with respect to any Obligations (each, a "**Guarantor**") by Franchisor or any Member and the commencement of any legal proceedings brought against Boat Club Operator or any Guarantor by any other person or entity; (xiv) will maintain a minimum level, age and type of boats to meet its Members' needs; (xv) comply in all respects with all provisions of the Franchise Agreement and all Membership Documents; and (xvi) comply with all laws, rules and regulations applicable to Boat Club Operator, including (A) the USA PATRIOT ACT, (B) all laws, rules and regulations relating to import or export controls, (C) all relevant trade controls requirements, requirements issued by the U.S. Department of the Treasury's Office of Foreign Asset Control ("**OFAC**"), the U.S. Department of Commerce's Bureau of Industry and Security ("**BIS**") or the U.S. State Department's Directorate of Defense Trade Controls ("**DDTC**"), and (D) all applicable Federal, state and local laws relating in any way to Boat Club Operator's Club activities, including all licensing requirements, franchising arrangements or merchandising practices.

(c) Boat Club Operator will not without BAC's prior written consent: (i) use, rent or lease (except Club Units utilized by a Utilizing Member), sell, transfer, consign, license, encumber or otherwise dispose of Collateral except for sale of any Club Unit after Boat Club Operator determines to remove such Club Unit from its fleet of boats available for use by its Members and has paid all Obligations with respect to such Club Unit in full; (ii) assign, sell, pledge, convey or by any other means transfer to any person, other than BAC, any Plan Agreement or other Membership Documents; (iii) enter into or modify any existing Plan Agreement or other Membership Documents pursuant to which any Member has the right to use a Club Unit for more than two (2) consecutive days and one (1) intervening night; (iv) engage in any business (including the sale, lease or rental of boats, watercraft, or the sale of inventory, including parts, garments or accessories, in the ordinary course of business) other than the operation of the Club; (v) change its business in any material manner or its organizational structure, or divide itself pursuant to Section 18-217 of the Delaware Limited Liability Company Act or any other similar law or statute, or be a party to a merger or consolidation or change its registration to a registered organization other than as specified above; (vi) change its name without giving BAC at least thirty (30) days prior written notice thereof; (vii) change the state in which it is incorporated or otherwise organized (except upon thirty (30) days prior written notice to BAC); (viii) change its chief executive office, principal place of business, or the office where it keeps its accounts and chattel paper records without providing BAC at least thirty (30) days prior written notice of such change; (ix) finance on a secured basis with Vendor or any third party the acquisition of Club Units (or other inventory) of the same brand as any Club Units (or other inventory) financed or to be financed by BAC; (x) store Club Units (or other inventory) financed by BAC with any third party, unless stored at a Permitted Location for which BAC, Boat Club Operator and such third party shall have executed and delivered a landlord waiver agreement, providing full rights of access to BAC and the waiver by such third party of any storage, possessory, statutory or common law lien or encumbrance of every type and nature with respect to all affected Club Units, all in form and content acceptable to BAC in its sole discretion; (xi) take any steps or agree to terminate or modify in any material manner, the Franchise Agreement; (xii) modify the forms of the Plan Agreement and the other Membership Documents in any material manner from the forms of such agreements and documents as of the date of this Agreement; (xiii) permit any person who is not an employee of Boat Club Operator or a Member to operate any Club Unit; (xiv) without the prior written consent of BAC, register any Club Unit with the United States Coast Guard (the "**USCG**"), or (xv) sell or otherwise transfer inventory to a Boat Club Operator Affiliate "**Boat Club Operator Affiliate**" means any person that: (i) directly or indirectly controls, is controlled by or is under common control with Boat Club Operator, (ii) directly or indirectly owns 5% or more of Boat Club Operator, (iii) is a director, partner, manager, or officer of Boat Club Operator or an affiliate of Boat Club Operator, or (iv) any natural person related to Boat Club Operator or an affiliate of Boat Club Operator.

(d) No part of the proceeds will be used to purchase or carry Margin Stock or to extend credit to others for the purpose of purchasing or carrying any such Margin Stock or for any purpose that violates the provisions of Regulation T, U or X of the Board of Governors of the Federal Reserve System. Should Boat Club Operator acquire Margin Stock during the term of this Agreement, Boat Club Operator agrees to deliver to BAC any documentation that may be required in order to comply with applicable regulations, including but not limited to a Form U-1, satisfactory to BAC, in its discretion.

## **6. Financial Crimes Compliance.**

(a) As used in this Section, (A) "**Anti-Corruption Laws**" means: (i) the U.S. Foreign Corrupt Practices Act of 1977, as amended; (ii) the U.K. Bribery Act 2010, as amended; and (iii) any other anti-bribery or anti-corruption laws, regulations, or ordinances in any jurisdiction in which the Boat Club Operator or any member of the Boat Club Operator Group is located or doing business; (B) "**Anti-Money Laundering Laws**" means applicable laws or regulations in any jurisdiction in which Boat Club Operator or any member of the Boat Club Operator Group is located or doing business that relates to money laundering, any predicate crime to money laundering, or any financial record keeping and reporting requirements related thereto; (C) "**Boat Club Operator Group**" means, wherever located: (i) Boat Club Operator, (ii) the parent of Boat Club Operator, (iii) any affiliate or subsidiary of Boat Club Operator, (iv) any Guarantor, (v) the owner of any collateral securing any part of the Obligations, any guaranty, or this Agreement, and (vi) any officer, director or agent acting on behalf of any of the parties referred to in items (i) through (v) with respect to the Obligations, this Agreement, or any other agreement between BAC and Boat Club Operator, (D) "**Person**" means an individual, entity, group, or government; (E) "**Sanction**" or "**Sanctions**" means any and all economic or financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes and restrictions and anti-terrorism laws imposed, administered or enforced by: (i) the United States of America, including those administered by OFAC, the U.S. Department of State, the U.S. Department of Commerce, or through any existing or future statute or Executive Order, (ii) the United Nations Security Council, (iii) the European Union, (iv) the United Kingdom, or (v) any other governmental authority with jurisdiction over Boat Club Operator or any member of the Boat Club Operator Group; and (F) "**Sanctioned Target**" means any target of Sanctions, including: (i) Persons on any list of targets identified or designated pursuant to any Sanctions, (ii) Persons, countries, or territories that are the target of any territorial or country-based Sanctions program, (iii) Persons that are a target of, or subject to, Sanctions due to their ownership or control by any Sanctioned Target(s), or (iv) vessels and aircraft that are blocked under any Sanctions program.

(b) Boat Club Operator represents and warrants continuously throughout the term of this Agreement that: (A) no member of the Boat Club Operator Group is a Sanctioned Target; (B) no member of the Boat Club Operator Group is owned or controlled by, or is or has been acting or purporting to act for or on behalf of, directly or indirectly, a Sanctioned Target; (C) each member of the Boat Club Operator Group has instituted, maintains and complies with policies, procedures, and controls reasonably designed to assure compliance with Sanctions; and (D) to the best of Boat Club Operator's knowledge, after due care and inquiry, no member of the Boat Club Operator Group is under investigation for an alleged violation of Sanction(s) by a governmental authority that enforces Sanctions. Boat Club Operator shall notify BAC in writing not more than one (1) Business Day after first becoming aware of any breach of this clause (b).

(c) Boat Club Operator represents and warrants continuously throughout the term of this Agreement that: (A) each member of the Boat Club Operator Group has instituted, maintains and complies with policies, procedures, and controls reasonably designed to assure compliance with Anti-Money Laundering Laws and Anti-Corruption Laws; and (B) to the best of Boat Club Operator's knowledge, after due care and inquiry, no member of the Boat Club Operator Group is under investigation for an alleged violation of Anti-Money Laundering Laws or Anti-Corruption Laws by a governmental authority that enforces such laws.

(d) Boat Club Operator shall, and Boat Club Operator shall ensure that each member of the Boat Club Operator Group will, comply with Sanctions, Anti-Money Laundering Laws, and Anti-Corruption Laws.

(e) Boat Club Operator shall not, and shall ensure that each member of the Boat Club Operator Group will not, directly or indirectly, (A) use any amounts funded by, or received from, BAC hereunder to fund, finance, or facilitate any activities, business, or transactions (i) that are prohibited by Sanctions, (ii) that would be prohibited by U.S. Sanctions if conducted by a U.S. Person, or (iii) that would be prohibited by Sanctions if conducted by BAC, or any other party hereto (and Boat Club Operator shall notify BAC in writing not more than one (1) Business Day after first becoming aware of any breach of this clause (A)); or (B) use any amounts funded by, or received from, BAC hereunder to fund, finance, or facilitate any activities, business or transactions that would be prohibited by Anti-Money Laundering Laws or Anti-Corruption Laws.

(f) Boat Club Operator shall not, and shall ensure that no member of the Boat Club Operator Group will, fund any payment to BAC with proceeds, or provide as collateral any property, that is directly or indirectly derived from any transaction or activity that is prohibited by Sanctions, Anti-Money Laundering Laws or Anti-Corruption Laws, or that could otherwise cause BAC or any other party to this Agreement to be in violation of Sanctions, Anti-Money Laundering Laws or Anti-Corruption Laws.

## **7. Club Financing Terms and Provisions.**

(a) Boat Club Operator agrees to indemnify BAC against: (i) any loss or damage BAC suffers, including any claims by any third party, including the Franchisor or Boat Club Operator's Members, whether direct or indirect, and in any way resulting from, arising out of, or in connection with the Franchise Agreement, any Plan Agreement or Membership Documents, any related document, any Club Unit, or Boat Club Operator's operation of its business as a Club or Club activities, and (ii) any loss, damage, claim, charge, assessment, penalty or fee charged, imposed or assessed by any governmental authority, including without limitation the Federal Trade Commission or any similar or analogous state agency, under or in connection with this Agreement, BAC's financing activities with Boat Club Operator, the franchise provided to Boat Club Operator under the Franchise Agreement, the Franchise Agreement, any Plan Agreement or any Membership Document.

(b) Boat Club Operator will reimburse BAC for any attorneys' fees which BAC incurs in connection with the review of the Franchise Agreement, any Plan Agreements or Membership Documents, or any forms, thereof, and any and all related documents.

(c) Immediately upon execution of the same, all Plan Agreements will be effectively collaterally assigned to BAC, and, immediately upon BAC's request, delivered to BAC together with any and all related documents.

(d) Boat Club Operator will immediately notify BAC orally and in writing of any and all sales, damage or other disposition regarding the Club Units and all terms and details thereof. Upon BAC's request, Boat Club Operator will provide BAC copies of any or all Plan Agreements, Membership Documents, a written report (in form and content acceptable to BAC) of Plan Agreements executed, including all of the terms of such Plan Agreements and Membership Documents, the location of the Club Units utilized from time to time by a Utilizing Member, the dates on which such Club Units are or were utilized by a Utilizing Member, and the dates on which such Club Units are scheduled to be returned to Boat Club Operator.

(e) Monthly, or more frequently as BAC may determine, Boat Club Operator will provide BAC with a report, in a form and containing such detailed information as BAC may require, regarding Boat Club Operator's outstanding Plan Agreements and Membership Documents. In addition, Boat Club Operator will report such other information relating to the Plan Agreements, Membership Documents and Club Units as BAC may request, including, without limitation, the periodic location of each Club Unit.

(f) All Club Units will be titled in accordance with all applicable laws and regulations. Unless BAC provides its prior written consent to Boat Club Operator to register any specific Club Unit with the USCG, Boat Club Operator will (i) within thirty (30) days following the date of original invoice for such Club Unit, take all steps necessary to cause each such certificate of title or other evidence of title shall show the first and only lien holder as "Brunswick Acceptance Company, LLC" and contain such other information as is required by applicable law or regulation to validly perfect BAC's security interest in such Club Unit, and (ii) send or must cause to be sent the original of such certificates of title to BAC.

(g) If BAC provides its prior written consent to Boat Club Operator's registration of any specifically identified Club Unit with the USCG, Boat Club Operator will (i) within thirty (30) days following the date of the original invoice for such Club Unit, execute and deliver a preferred ship mortgage, in form and content acceptable to BAC, granting BAC a first and only lien on such Club Unit, and (ii) take all necessary steps and pay all necessary fees to cause such preferred ship mortgage to be lodged with and recorded by the USCG.

## **8. Insurance.**

(a) All risk of loss, damage to or destruction of Collateral shall at all times be Boat Club Operator's risk. Boat Club Operator shall keep tangible Collateral insured for full value against all insurable risks (including physical damage for each Club Unit) under policies delivered to BAC and issued by insurers satisfactory to BAC and its assigns with a loss payable to BAC or its assigns. In addition, such insurable risk under policies delivered to BAC must include renter and commercial general liability insurance in amount of not less than \$2,000,000.00 (or such larger amount as BAC may, from time to time require) per occurrence combined single limit, \$2,000,000.00 (or such larger amount as BAC may, from time to time require) in general aggregate. BAC is authorized, but not required, to act as attorney-in-fact for Boat Club Operator in adjusting and settling any insurance claims under any such policy and in endorsing any checks or drafts drawn by insurers. Boat Club Operator shall promptly remit to BAC in the form received, with all necessary endorsements, all proceeds of such insurance which Boat Club Operator may receive. BAC, at its election, shall either apply any proceeds of insurance it may receive toward payment of the Obligations or pay such proceeds to Boat Club Operator.

(b) In addition to the foregoing and without in any way limiting the requirements of Section 8(a) above, Boat Club Operator shall (i) maintain insurance with financially sound and reputable insurers acceptable to BAC and its assigns on such of its property and in at least such amounts (but in no event less than the limits set forth above) and against such risks as is customary with companies in the same or similar businesses operating in the same or similar locations, including public liability insurance against claims for bodily injury, personal injury, death or property damage occurring upon, in or about or in connection with the use by any person (including but not limited to any Member) of any Club Units as well as all of the properties owned, occupied or controlled by Boat Club Operator; (ii) cause BAC or its assigns to be named as an additional insured under all liability policies maintained by Boat Club Operator on a primary and non-contributory basis and such policies must also include a waiver of rights of recovery and subrogation and coverage with respect to breach of warranty, (iii) cause all such liability policies to be primary and non-contributory as to claims arising out of Boat Club Operator's business activities, including the use by Members of Club Units and Boat Club Operator's obligations and duties under the Franchise Agreement, the Plan Agreements, this Agreement and the Membership Documents, (iv) cause all such casualty and damage insurance policies to contain waiver of coinsurance clauses acceptable to BAC and its assigns, (v) cause BAC to be named as sole loss payee (with no other loss payees of any type or nature) on all casualty and damage insurance policies pursuant to an endorsement acceptable to BAC or its assigns, (vi) cause all policies to provide that BAC be sent copies of any written notice of cancellation, modification, termination or lapse of such policies upon the earlier of (A) two (2) Business Days (as defined below) of the issuance of such notice, or (B) ten (10) days prior to any cancellation, modification, termination or lapse of coverage, (vii) maintain such other insurance as may be required by law; (viii) maintain any additional insurance coverage contemplated or required by the Franchise Agreements, and (ix) furnish to BAC copies of all policies of insurance maintained by Boat Club Operator from time to time and, upon written request, any additional information as to the insurance carried.

## **9. Financial Statements; Reporting.** Boat Club Operator shall provide BAC:

(a) In a form satisfactory to BAC: (i) Boat Club Operator's year-end balance sheet, statement of cash flows and annual profit and loss statement for each of its fiscal years prepared in accordance with generally accepted accounting principles, consistently applied, together with any and all notes thereto, within twenty (20) days after the same are prepared but in no event later than ninety (90) days after the end of each fiscal year; (ii) within forty-five (45) days after the end of each fiscal quarter, a reasonably detailed balance sheet, statement of cash flows and income statement, prepared in accordance with generally accepted accounting principles, consistently applied (subject to normal year-end adjustments and absence of footnote disclosures), as of the last day of such quarter covering Boat Club Operator's operations for such quarter; and (iii) within ten (10) days after BAC's request, any other information relating to the financial condition of Boat Club Operator. In addition, Boat Club Operator agrees to provide BAC, promptly after BAC's request thereof, such other financial records or information respecting Boat Club Operator as may be from time to time requested by BAC. Furthermore, Boat Club Operator authorizes BAC, throughout the term of this Agreement, to investigate or make inquiries of creditors or other persons and credit bureaus regarding Boat Club Operator (including equity holders of Boat Club Operator), and provide to creditors or other persons any financial, credit or other information regarding or relating to Boat Club Operator, whether supplied by Boat Club Operator to BAC or otherwise obtained by BAC. Boat Club Operator represents that all financial statements and information which have been or may hereafter be delivered by Boat Club Operator or any Guarantor are and will be correct and prepared in accordance with generally accepted accounting principles ("GAAP") consistently applied, and that there has been no material adverse change in the financial or business condition of Boat Club Operator or any Guarantor since the submission to BAC of such financial statements, and Boat Club Operator acknowledges BAC's reliance thereon; provided, however, that the GAAP requirement does not apply to tax returns, which shall instead comply with applicable tax laws and regulations.

(b) All reports required to be provided by Boat Club Operator to Franchisor under the Franchise Agreement, as and when the same are due from time to time under the Franchise Agreement.

#### 10. Payment Terms.

(a) Boat Club Operator will immediately pay BAC the principal amount of the Obligations owed BAC on each item of Collateral financed by BAC on the earliest occurrence of any of the following events: (i) when such payment is due in strict accordance with any repayment schedule for such Collateral which may be set forth in the Transaction Statement; (ii) when any such item of Collateral consisting of a Club Unit is (A) sold, (B) lost, stolen or damaged; (C) transferred; (D) rented, leased or used in a manner contrary to the provisions of this Agreement; or (E) otherwise disposed of; or (iii) when otherwise required under the terms of this Agreement. The Collateral and proceeds of disposition of any Collateral received by Boat Club Operator will be held in trust for BAC's benefit, for application as provided in this Agreement. Boat Club Operator authorizes BAC to apply payments (including Vendor Credits or any other credits) to the Obligations in BAC's sole discretion, without notice to Boat Club Operator, in any order. All payments made under or pursuant to this Agreement (which shall include for this purpose any insurance proceeds) may be applied by BAC in its sole and absolute discretion, to the Obligations owing to BAC in any order and manner selected by BAC, and Boat Club Operator hereby waives any right it may have to direct the application of any such payments. For example, BAC may, in its sole discretion and regardless of Boat Club Operator instructions apply: (A) payments to reduce Charges first and then principal; (B) principal payments to the oldest (earliest) invoice for Collateral financed by BAC; and (C) principal payments to Obligations related to Collateral which is sold, lost, stolen, damaged, transferred, rented, leased, or otherwise disposed of or unaccounted for before applying principal payments to any other Obligations. "**Charges**" shall mean charges (including finance charges), interest (including default interest and delinquent interest) or other fees, in each case, in connection with advances made in accordance with this Agreement. Any payment under this Agreement that would otherwise be due on a day which is not a Business Day shall be due on the next succeeding Business Day, with such extension of time included in any calculation of applicable Charges. For purposes of this Agreement, "**Business Day**" means any day the Federal Reserve Bank of Chicago is open for the transaction of business; provided, however, that, for purposes of determining a Benchmark (as defined below), if a Business Day falls on a day that the Index Rate (as defined below) used to calculate such Benchmark is not published by the Federal Reserve Bank of New York or by such other publication, website or electronic source as BAC, in its sole discretion, may select, then such Index Rate shall be as last published prior to such Business Day.

(b) If Boat Club Operator (i) fails to immediately remit funds to BAC upon the maturity of Boat Club Operator's applicable payment terms with respect to such advance or upon the sale, transfer, rental, lease, prohibited use, loss, theft, damage, or other disposition of or inability to account for any Club Unit (or other inventory) financed by BAC for Boat Club Operator, (a "**sale out of trust**" or "**SOT**") or (ii) is required to make immediate payment to BAC of any past due obligation discovered during any Collateral review, or at any other time, then BAC's acceptance of any payment with respect to such past due obligation (whether in full or partial satisfaction of such obligation) shall not be construed to have waived or amended the terms of its financing program. Boat Club Operator will send all such payments to BAC as directed.

(c) Any Vendor Credit granted to Boat Club Operator for any Collateral will not reduce the Obligations Boat Club Operator owes BAC until BAC has received payment therefor as set forth below. Boat Club Operator will: (i) pay BAC even if any Collateral is returned to the applicable Vendor, is defective, or fails to conform to any warranties extended by any third party; and (ii) indemnify and hold BAC harmless against all claims and defenses asserted by any Member, buyer of, or lessee with respect to any Collateral. Boat Club Operator waives all rights of setoff Boat Club Operator may have against BAC. Boat Club Operator will not assert against BAC any claim or defense Boat Club Operator may have against Vendor and any such claims or defenses shall not affect Boat Club Operator's liabilities or obligations to BAC.

(d) Any advances that are not used to acquire Club Units (or other inventory), as contemplated by this Agreement, shall be paid on demand unless otherwise provided in this Agreement or in any Transaction Statement. In order to adequately secure Boat Club Operator's Obligations to BAC, Boat Club Operator shall, at BAC's request, immediately pay BAC the amount necessary to reduce the sum of BAC's outstanding Obligations with respect to Club Units (and other inventory) received by Boat Club Operator to an amount which does not exceed the aggregate price invoiced to Boat Club Operator for the Club Units (and other inventory) in Boat Club Operator's possession (i) which is financed by BAC, and (ii) in which BAC has a perfected first priority lien.

(e) All payments due by Boat Club Operator to BAC under this Agreement or otherwise shall be made by check made on a United States bank, ACH, federal wire, or EDI or any other electronic system, platform or interface selected by BAC in its own discretion, in each case drawn on an account established in the name of Boat Club Operator and accompanied by remittance advice. Payment in any other form or without remittance advice may delay processing or be returned to Boat Club Operator and may cause Boat Club Operator to incur a late payment fee. BAC policy prohibits payment by cash or cash equivalents and any such payments will be declined, BAC reserves the right to decline other forms of payment, including, cashier's checks, money orders, bank drafts, third-party checks and traveler's checks. In the event of any such payment decline or, if applicable, Boat Club Operator's failure to provide remittance advice, Boat Club Operator's debt will remain outstanding and any Charges permitted under this Agreement may accrue until acceptable payment accompanied by remittance advice is received and applied to Boat Club Operator's Obligations. BAC will recognize and apply payments within a reasonable period of time after BAC's receipt of acceptable payment and appropriate remittance advice..

#### 11. Calculation of Charges.

(a) Boat Club Operator shall pay Charges with respect to each advance in accordance with this Agreement. Boat Club Operator shall pay BAC its customary Charges for any check or other item which is returned unpaid to BAC. Unless otherwise provided in this Agreement, the following additional provisions shall be applicable to Charges: (i) any reference to (A) "**Prime Rate**" shall mean, for any calendar month, an interest rate equal to the greater of (1) the highest "prime rate" as published in the "Money Rates" column of *The Wall Street Journal*, or in such other publication, website or electronic source as BAC, in its sole discretion, may select on or about the first Business Day of such month, rounded to such number of decimal places as selected by BAC, or (2) the Minimum (as defined below), and (B) "**Adjusted 30-Day Average SOFR**" shall mean, for any calendar month, an

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interest rate equal to the greater of (1) the sum of (x) an interest rate equal to the "30-DAY AVERAGE SOFR" rate as published by the Federal Reserve Bank of New York or by such other publication, website or electronic source as BAC, in its sole discretion, may select, on or about the first Business Day of such month, plus (y) a spread adjustment from time to time selected by BAC and identified on the applicable Transaction Statement or other notice provided by BAC to Boat Club Operator, which sum shall be rounded to such number of decimal places as selected by BAC, or (2) the Minimum (as defined below) (the Prime Rate and the Adjusted 30-Day Average SOFR are each referred to herein as a "**Base Rate**"); (ii) all Charges shall be paid by Boat Club Operator monthly pursuant to the terms of the billing statement in which such Charges appear; (iii) interest on each advance and principal amount of the Obligations related thereto shall be computed for any period by dividing the interest rate provided in each applicable Transaction Statement by 360 (the quotient of which is the "**Daily Rate**"), rounded to such number of decimal places as selected by BAC, and then multiplying the Daily Rate by the actual principal balance outstanding on each day during such period; (iv) interest on an advance shall begin to accrue on the "**Start Date**", which shall be defined as any of the following, selected by BAC in BAC's discretion: (A) the invoice date referred to in Vendor's invoice; (B) the date on which Boat Club Operator confirms delivery of the inventory subject to the applicable invoice; (C) the date BAC has agreed to make a payment to Vendor; or (D) the date BAC makes such advance; provided, however, that if Vendor fails to fully pay, by honoring or paying any Vendor Subsidy or otherwise, the interest or other cost of financing such Club Unit (or other inventory) during the period between the Start Date and the end of the Free Floor Period (as defined below), then Boat Club Operator shall pay such interest to BAC on demand as if there were no Free Floor Period with respect to such Club Unit (or other inventory); (v) for the purpose of computing Charges, any payment will be applied in accordance with this Agreement; (vi) advances or any part thereof not paid when due (and Charges not paid when due, at the option of BAC, shall become part of the principal amount of the Obligations) shall bear interest at the Default Rate (as defined below); and (7) all interest rates provided or referenced in Transaction Statements, including all references to Base Rate, Prime Rate or Adjusted 30-Day Average SOFR and additions to Base Rate, Prime Rate or Adjusted 30-Day Average SOFR, are provided and referenced on the basis of a 360-day year. The method of calculating interest provided in this subsection (i.e., the interest rate calculated based on a year of 360 days, for the actual number of days elapsed) will result in a higher effective rate than the quoted numeric rate provided in the Transaction Statement. Neither of the Base Rates, nor any other Benchmark (as defined below), constitutes Boat Club Operator's all-in interest rate(s) with BAC, which rates may also include margins, matrices and any other adders as may from time to time be set forth in Transaction Statements or other notices from BAC to Boat Club Operator. For purposes of this Agreement, the following definitions shall apply: "**Minimum**" shall mean the greater of (a) zero percent (0%) or (b) such other minimum amount as may be identified on the applicable Transaction Statement or notice provided by BAC to Boat Club Operator pursuant to the Agreement; "**Default Rate**" shall mean the default rate specified in Boat Club Operator's financing program with BAC (generally, in the Transaction Statement), if any, or if there is none so specified, the lesser of 3% per annum above the rate in effect immediately prior to the Default, or the highest lawful contract rate of interest permitted under applicable law; and "**Free Floor Period**" shall mean a period equal to the number of days during which a Vendor agrees to assume the cost of financing Collateral purchased by Boat Club Operator by granting BAC a Vendor Subsidy.

(b) BAC intends to strictly conform to the usury laws governing this Agreement. Regardless of any provision contained in this Agreement, in any Transaction Statement, or in any other document, BAC shall never be deemed to have contracted for, charged or be entitled to receive, collect or apply as interest, any amount in excess of the maximum amount allowed by applicable law. If BAC ever receives any amount which, if considered to be interest, would exceed the maximum amount permitted by law, BAC will apply such excess amount to the reduction of the unpaid principal balance which Boat Club Operator owes, and then will pay any remaining excess to Boat Club Operator. In determining whether the interest paid or payable exceeds the highest lawful rate, Boat Club Operator and BAC shall, to the maximum extent permitted under applicable law, (i) characterize any non-principal payment (other than payments which are expressly designated as interest payments under this Agreement) as an expense or fee rather than as interest, (ii) exclude voluntary pre-payments and the effect thereof, and (iii) spread the total amount of interest throughout the entire term of this Agreement so that the interest rate is uniform throughout such term. Boat Club Operator agrees to pay an effective rate of interest that is the sum of (A) the interest rate provided in this Agreement, including as provided in each accepted Transaction Statement, as may be amended as provided in this Agreement; and (B) any additional rate of interest resulting from any other Charges paid or to be paid by Boat Club Operator pursuant to this Agreement and that are determined to be interest or in the nature of interest.

(c) If a Benchmark Transition Event (as defined below) occurs with respect to the index rate used to calculate a Benchmark (as defined below) (such index rate, an "**Index Rate**"), BAC may, effective upon the applicable Benchmark Replacement Date (as defined below), (1) replace such Benchmark with (i) an alternate rate of interest that has been selected by BAC as the replacement for such Benchmark, plus (ii) a spread adjustment selected by BAC (collectively, the "**Benchmark Replacement**"), and (2) make technical, administrative and/or operational changes, including (i) the margins or adders which may, from time to time, be added to the Benchmark Replacement, (ii) the timing and frequency of determining rates, and (iii) the payment of interest or other Charges and other administrative matters as may be, in each case, appropriate, in the sole discretion of BAC, to reflect the adoption of the Benchmark Replacement and to permit the administration thereof by BAC in such manner as BAC may determine (collectively, the "**Benchmark Replacement Conforming Changes**"). The Benchmark Replacement shall replace all references to such Benchmark, and the Benchmark Replacement Conforming Changes shall become effective, on the date(s) set forth in a written notice thereof to Boat Club Operator (such date(s), the "**Benchmark Replacement Date**," and such notice, the "**Benchmark Replacement Notice**") without any amendment or other modification to this Agreement and without any further action or consent of Boat Club Operator and/or any other person or entity; and, for the avoidance of doubt, the replacement of such Benchmark with the Benchmark Replacement and the Benchmark Replacement Conforming Changes shall be effective with respect to existing Obligations owing by Boat Club Operator to BAC and/or to Obligations incurred or arising after the Benchmark Replacement Date, all as BAC may elect by so indicating in the Benchmark Replacement Notice. A "**Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to the Index Rate used to calculate a Benchmark: (a) a public statement or publication of information by or on behalf of the administrator of such Index Rate, or any successor administrator (collectively, "**Benchmark Administrator**") or a regulatory supervisor for, or any insolvency or resolution official with authority over, the Benchmark Administrator, announcing that: (i) the Benchmark Administrator has ceased or will cease to provide such Index Rate, permanently or indefinitely; or (ii) such Index Rate is no longer, or as of a specified future date will no longer be, representative of underlying markets; or (b) notice is provided by BAC to Boat Club Operator of BAC's intention to adopt a new benchmark to replace such Index Rate; or (c) entrance by BAC and Boat Club Operator into a written agreement to adopt a new benchmark to replace such Index Rate. As used herein, a "**Benchmark**" means, initially, a Base Rate; provided, that if a Benchmark Transition Event occurs with respect to the Index Rate used to calculate a Benchmark (including any replacement of a Benchmark pursuant to the provisions of this paragraph), then "Benchmark," as used herein with respect to such Benchmark, shall mean the applicable Benchmark Replacement to the extent that such Benchmark Replacement has become effective pursuant to this paragraph; and provided further, that no Benchmark shall ever be less than the Minimum. Any determination, decision or election that may be made by BAC pursuant to this paragraph, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding on Boat Club Operator and will be made in BAC's sole discretion and without Boat Club Operator consent, except as expressly required pursuant to the provisions of the Agreement.

## 12. Billing Statement/Fees; Right to Modify Charges and Other Terms.

(a) BAC will transmit, send or otherwise make available to Boat Club Operator a monthly billing statement identifying all charges (including Charges) and other amounts due on Boat Club Operator's account with BAC. Such charges and other amounts specified on each billing statement will be (i) due and payable in full immediately on receipt, unless otherwise stated in writing in the billing statement, Transaction Statement or other written document provided by BAC, and (ii) an account stated, unless BAC receives Boat Club Operator's written objection thereto within fifteen (15) days after it is transmitted, sent or otherwise made available to Boat Club Operator. If BAC does not receive, when due, payment of all charges accrued to Boat Club Operator's account with BAC during the immediately preceding month, Boat Club Operator will (to the extent allowed by law) pay BAC a late fee equal

to the greater of \$5 or 5% of the amount of such Charges (and, for the avoidance of doubt, payment of such fee does not waive the Default caused by the late payment). BAC may adjust the billing statement at any time to conform to applicable law and this Agreement.

(b) BAC may charge one or more fees in connection with the servicing and administration of Boat Club Operator's account. From time to time, BAC may provide written notice to Boat Club Operator of new or changed charges (including Charges) and other terms (including increases or decreases in the periodic rate or amount of finance charges, the method of computing finance charges and when and how finance charges, and principal payments, are payable), policies, practices and other charges and/or credit terms (collectively, "**Fees and Terms**") payable by, or applicable to, Boat Club Operator or relating to Boat Club Operator's account generally, or in connection with specific services, or events, to be effective as of the notice date, or such other future effective date as BAC shall advise, with respect to existing Obligations owing by Boat Club Operator to BAC and/or to Obligations incurred or arising after such notice or future effective date, as the case may be, all as BAC may elect by so indicating in such notice. Such notice may be delivered by mail, courier or electronically in a separate writing or website posting or set forth in the Transaction Statement and/or the billing statement. Boat Club Operator shall be deemed to have accepted such Fees and Terms by either (i) making any request for financing on or after the effective date of such notice, or (ii) failing to notify BAC in writing of any objection to a Transaction Statement (or component thereof), billing statement or written notice advising of such Fees and Terms within fifteen (15) days after such notice has been sent to Boat Club Operator. If Boat Club Operator objects to the Fees and Terms, such Fees and Terms shall not be imposed, but BAC may charge or implement the last Fees and Terms to which Boat Club Operator has not objected. and may elect to terminate Boat Club Operator's financing program.

**13. Default.** The occurrence of one or more of the following events shall constitute a default by Boat Club Operator (a "**Default**"):

(a) Boat Club Operator or any Boat Club Operator Affiliate shall fail to pay any Obligations under this Agreement or other amounts, however or wherever documented, owed to BAC or to any person that at any time directly or indirectly controls, is controlled by, or is under common control with BAC (a "**BAC Affiliate**") when due or any remittance for any such Obligations or such other amounts is dishonored when first presented for payment;

(b) any representation or warranty made to BAC by Boat Club Operator, any Boat Club Operator Affiliate or by any Guarantor (including, for the avoidance of doubt, representations under the "Financial Crimes Compliance" Section of this Agreement) shall be incorrect, false, or misleading in any respect when furnished or made, or if Boat Club Operator or any Guarantor shall breach any covenant, warranty or agreement to or with BAC (including, for the avoidance of doubt, covenants under the "Financial Crimes Compliance" Section of this Agreement);

(c) Boat Club Operator (including, if Boat Club Operator is a partnership or limited liability company, any partner or member of Boat Club Operator), any Boat Club Operator Affiliate or any Guarantor shall die, become insolvent or generally fail to pay its debts as they become due or, if a business, shall cease to do business as a going concern or shall sell, transfer, assign or otherwise dispose, voluntarily or involuntarily, all or substantially all of its assets;

(d) any letter of credit or other form of collateral provided by Boat Club Operator or a Guarantor to BAC with respect to any Obligations or Collateral shall terminate or not be renewed at least sixty (60) days prior to its stated expiration or maturity;

(e) Boat Club Operator abandons any Collateral;

(f) any Guarantor shall revoke, terminate or limit, or take any action purporting to revoke, terminate or limit, any guaranty or other assurance of payment relating to any Obligations;

(g) Boat Club Operator, any Boat Club Operator Affiliate or any Guarantor shall make an assignment for the benefit of creditors, or commence a proceeding with respect to itself under any bankruptcy, reorganization, arrangement, insolvency, receivership, dissolution or liquidation statute or similar law of any jurisdiction, or any such proceeding shall be commenced against it or any of its property (an "**Automatic Default**");

(h) an attachment, sale or seizure shall be issued or shall be executed against any assets of Boat Club Operator, any Boat Club Operator Affiliate or of any Guarantor;

(i) Boat Club Operator shall lose, or shall be in default of, any franchise, license or right to deal in any Collateral (including the Franchise Agreement) which BAC finances, or Franchisor exercises any right under the Franchise Agreement (including any "step-in right" under the Franchise Agreement) to take control, manage or operate, for any duration, Boat Club Operator's business (including the Club);

(j) Boat Club Operator, any Boat Club Operator Affiliate, any Guarantor or any third party shall file any correction or termination statement with respect to any Uniform Commercial Code (the "**UCC**") filing made by BAC in connection with this Agreement;

(k) Boat Club Operator shall default under the terms of any Plan Agreement or Membership Document,

(l) a material adverse change shall occur in the business, operations or condition (financial or otherwise) of Boat Club Operator (including, if Boat Club Operator is a partnership or limited liability company, any partner or member of Boat Club Operator), any Boat Club Operator Affiliate or any Guarantor, or with respect to the Collateral;

(m) Boat Club Operator, any Boat Club Operator Affiliate or any Guarantor fails to pay any debt or perform any other obligation owed to any third party, or breaches, defaults or an event of default occurs (however denominated) under or with respect to any document, instrument or agreement with or in favor of any third party evidencing or relating to any debt or other obligation, whether monetary or otherwise, in favor of such third party;

(n) Boat Club Operator, any Boat Club Operator Affiliate or any Guarantor defaults under or a default or event of default (however denominated) occurs under or with respect to any document, instrument or agreement with or in favor of BAC or any BAC Affiliate;

(o) Boat Club Operator or any Boat Club Operator Affiliate is party or subject to a transaction which, after giving effect to such transaction, results in those individuals or entities which own and control legally and beneficially all of the economic and voting rights associated with ownership of the Boat Club Operator (the "**Voting Rights**") failing to continue to represent one hundred percent (100%) of the Voting Rights of Boat Club Operator,

(p) the commencement of any legal proceedings against Boat Club Operator or any Guarantor by Franchisor or any Member;

(q) Boat Club Operator or any of its principals, or any Guarantor, pleads guilty to or is convicted of a crime; or

(r) BAC in good faith believes the prospect of payment of any Obligations is impaired or BAC deems itself insecure.

**14. Rights and Remedies Upon Default.** Upon the occurrence of a Default, BAC shall have all rights and remedies of a secured party under the UCC as in effect in any applicable jurisdiction and other applicable law and all the rights and remedies set forth in this Agreement. BAC may terminate any obligations it has under this Agreement and any outstanding credit approvals immediately and/or declare any and all Obligations immediately due and payable without notice or demand. Without in any way limiting any right or remedy of BAC, BAC may, in connection with any Default related to a Club Unit, demand and require that Boat Club Operator immediately repay all principal obligations advanced by BAC to Boat Club Operator in connection with such Club Unit. Boat Club Operator waives notice of intent to accelerate and notice of acceleration of any Obligations. BAC may enter any premises of Boat Club Operator, with or without process of law, without force, to search for, take possession of, and remove the Collateral, or any part thereof. If

BAC requests, Boat Club Operator shall cease disposition of and shall assemble the Collateral and make it available to BAC, at Boat Club Operator's expense, at a convenient place or places designated by BAC. BAC may take possession of the Collateral or any part thereof on Boat Club Operator's premises and cause it to remain there at Boat Club Operator's expense, pending sale or other disposition. Boat Club Operator agrees that the sale of Club Units (or other inventory) by BAC to a person who is liable to BAC under a guaranty, endorsement, repurchase agreement or the like shall not be deemed to be a transfer subject to UCC §9-618 or any similar provision of any other applicable law, and Boat Club Operator waives any provision of such laws to that effect. Boat Club Operator agrees that the repurchase or purchase (if any such Vendor did not sell any such Club Unit to Boat Club Operator) of Club Units (or other inventory) by Vendor pursuant to a repurchase or purchase agreement (however denominated) with BAC shall be a commercially reasonable method of disposition. Boat Club Operator shall be liable to BAC for any deficiency resulting from BAC's disposition, including a repurchase or purchase by Vendor, regardless of any subsequent disposition of Collateral. Boat Club Operator is not a beneficiary of, and has no right to require BAC to enforce, any repurchase or purchase agreement. If Boat Club Operator fails to perform any of its obligations under this Agreement, BAC may perform the same in any form or manner BAC in its discretion deems necessary or desirable, and all monies paid by BAC in connection therewith shall be additional Obligations and shall be immediately due and payable without notice together with interest payable on demand at the Default Rate. All of BAC's rights and remedies shall be cumulative. At BAC's request, or without request in the event of an Automatic Default, Boat Club Operator shall pay all Vendor Credits to BAC as soon as the same are received for application to the Obligations. Boat Club Operator authorizes BAC to collect such amounts directly from Vendor and, upon request of BAC, shall instruct Vendor to pay BAC directly. Boat Club Operator irrevocably waives any requirement that BAC retain possession and not dispose of any Collateral until after trial or final judgment or appeal thereof. BAC's election to extend or not extend credit to Boat Club Operator is solely at BAC's discretion and does not depend on the absence or existence of a Default. If a Default is in effect, and without regard to whether BAC has accelerated any Obligations, BAC may, without notice, apply the Default Rate.

**15. Power of Attorney.** Boat Club Operator authorizes BAC to:

- (a) file financing statements and amendments thereto describing BAC as "Secured Party," and Boat Club Operator as "Debtor" and indicating the Collateral;
- (b) authenticate, execute or endorse on behalf of Boat Club Operator any instruments, chattel paper, certificates of title, manufacturer statements of origin, builder's certificate, or other notices or records comprising or related to Collateral or evidencing financing under this Agreement or evidencing or maintaining the perfection of the security interest granted in this Agreement, as attorney-in-fact for Boat Club Operator; and
- (c) supply any omitted information and correct errors in any documents between BAC and Boat Club Operator. This power of attorney and the other powers of attorney granted in this Agreement are irrevocable and coupled with an interest.

**16. Collection and Other Costs.** Without in any way limiting any other provision herein relating to or providing for the payment of fees, expenses or costs by Boat Club Operator, Boat Club Operator shall pay to BAC on demand all reasonable attorneys' fees and legal expenses and other costs and expenses incurred by BAC in connection with;

- (a) establishing, perfecting, maintaining perfection of, protecting and enforcing its Lien on the Collateral, enforcing BAC's rights hereunder and collecting any Obligations;
- (b) any modification of this Agreement;
- (c) any Default; or
- (d) any action or proceeding for possession or under any receivership, assignment for the benefit of creditors, bankruptcy or other insolvency laws (including filing a proof of claim, motion for stay relief or monitoring such proceeding under any such laws to the full extent permitted under such law), in each case, involving the Boat Club Operator, any Guarantor or any Collateral. All fees, expenses, costs, and other amounts described in this Section shall constitute Obligations, shall be secured by the Collateral and interest shall accrue thereon at the Default Rate.

**17. Information.**

- (a) To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. When Boat Club Operator opens an account, BAC will ask for the name(s), address(es), date(s) of birth, and other information that will allow BAC to identify Boat Club Operator, and its owner(s) and Guarantor(s) as applicable. BAC may also ask Boat Club Operator to provide copies of driver's licenses or other identifying documents related to Boat Club Operator, and its owner(s) and Guarantors as applicable. Failure to comply with such requests will constitute a Default under this Agreement.
- (b) Boat Club Operator irrevocably authorizes BAC to investigate and make inquiries of former, current, or future creditors or other persons and credit bureaus regarding or relating to Boat Club Operator (including, to the extent permitted by law, any equity holders of Boat Club Operator). Any financial, credit or other information regarding Boat Club Operator (including, to the extent permitted by law, any equity holders of Boat Club Operator) that BAC may at any time possess, whether such information was supplied by Boat Club Operator to BAC or otherwise obtained by BAC, may be provided by BAC to: its BAC Affiliates, officers, directors, employees, legal counsel, auditors, accountants, credit insurers, brokers, agents and other professional advisors; any prospective assignee or participant; any counterparty to any derivative transaction related to this Agreement; any rating agency of BAC; and any other third parties. Further, Boat Club Operator irrevocably authorizes and instructs any third parties (including Vendor or customers of Boat Club Operator) to provide to BAC any credit, financial or other information regarding Boat Club Operator that such third parties may at any time possess.
- (c) Notwithstanding anything to the contrary in any other agreement between Boat Club Operator and BAC, BAC and/or any BAC Affiliate may use Boat Club Operator's name, logo(s) and/or trademark(s) and disclose program and transaction details, including program terms, credit facility size and type, participants, acquired entities, and BAC's role in the transaction (the "Transaction Details") in pitch books, internal and external presentations, websites, tombstone publications, and other marketing, communications and promotional materials (including materials shared with other existing or prospective customers (whether vendors or boat club operators) and media outlets). Upon BAC's request, Boat Club Operator shall provide BAC Boat Club Operator's artwork (logo) and, from time to time, photos of product lines, store fronts and facilities, in the format requested by BAC. BAC and/or any BAC Affiliate may also disclose information in its or their internal and external case study stories and press communications. Such information may include Boat Club Operator's name, business overview, Transaction Details, and benefits that BAC and/or BAC Affiliates brought to the transaction. BAC may reach out to Boat Club Operator to request a testimonial. If provided by Boat Club Operator, such testimonial may be used by BAC in its discretion on marketing and advertising materials.

**18. Termination.** Unless sooner terminated as provided in this Agreement, the term of this Agreement shall continue until either party notifies the other party in writing that this Agreement shall terminate on the date set forth in such notice, which date shall not be less than thirty (30) days following the date of such notice; provided, however, that BAC may terminate this Agreement immediately by notice to Boat Club Operator if Boat Club Operator objects to any terms of any Transaction Statement (or component thereof), billing statement or written notice advising of Fees and Terms. Upon termination of the Agreement, all Obligations shall become immediately due and payable without notice or demand. Upon any termination, Boat Club Operator shall remain fully liable to BAC for all Obligations arising prior to or after termination, and all of BAC's rights and remedies and its security interest shall continue until all Obligations to BAC are paid and all obligations of Boat Club Operator are performed in full. If BAC makes advances in

reliance on a repurchase agreement from a Vendor, it may cease making such advances if it has any concern as to whether such repurchase agreement will cover future advances or be performed by such Vendor. No provision of the Agreement shall be construed to obligate BAC to make any advances. All waivers and indemnifications in BAC's favor set forth in this Agreement will survive any termination of this Agreement.

**19. Binding Effect.** Boat Club Operator shall not assign its interest in this Agreement without BAC's prior written consent. BAC may assign, syndicate, or participate and grant a security interest in BAC's interest, in whole or in part, to third parties (and disclose any information or documentation as is necessary to such third parties), without Boat Club Operator's consent. This Agreement will protect and bind BAC's and Boat Club Operator's respective heirs, representatives, successors and assigns, as the case may be.

**20. Notices.** Except as required by law or as otherwise provided in this Agreement, all notices or other communications to be given under the Agreement or under the UCC shall be in writing served either personally, by overnight courier, or by U.S. mail, addressed

(a) to Boat Club Operator at its chief executive office shown in the preamble hereto or to any office to which BAC sends billing statements, or

(b) to BAC at its address shown in the preamble of this Agreement, to the attention of its Credit Department, or, in each case, to such other address designated by such party by notice to the other. Any such communication shall be deemed to have been given upon delivery in the case of personal delivery, one (1) Business Day after deposit with an overnight courier or two (2) calendar days after deposit in the U.S. mail, except that any notice of change of address shall not be effective until actually received.

**21. Severability.** Except as set forth in the "EXEMPLARY OR PUNITIVE DAMAGES" and "CLASS ACTION WAIVER" subsections of the "Binding Arbitration" Section of this Agreement, if any provision of this Agreement or its application is invalid or unenforceable, the remainder of this Agreement will not be impaired or affected and will remain binding and enforceable.

**22. Miscellaneous.** Time is of the essence regarding Boat Club Operator's performance of its obligations to BAC. Boat Club Operator's liability to BAC is direct and unconditional and will not be affected by the release or nonperfection of any security interest granted under this Agreement. BAC may refrain from or postpone enforcement of this Agreement or any other agreements between BAC and Boat Club Operator without prejudice, and the failure to strictly enforce these agreements will not create a course of dealing which waives, amends, or modifies such agreements. Any waiver by BAC of a Default shall only be effective if in writing signed by BAC and transmitted to Boat Club Operator. The express terms of this Agreement will not be modified by any course of dealing, usage of trade, or custom of trade which may deviate from the terms of this Agreement. If Boat Club Operator fails to pay any taxes, fees or other obligations which may impair BAC's interest in the Collateral, or fails to keep any Collateral insured, BAC may, but shall not be required to, pay such amounts. Such paid amounts will be: (a) additional Obligations which Boat Club Operator owes to BAC, which are subject to Charges as provided above and shall be secured by the Collateral; and (b) due and payable immediately in full. Section titles used herein are for convenience only, and do not define or limit the contents of any Section. All words used herein shall be understood and construed to be of such number and gender as the circumstances may require. When the words "including" or "includes" are used in this Agreement, they shall mean "including, but not limited to" and "includes, but is not limited to," respectively. Notwithstanding anything to the contrary in this Agreement, BAC may rely on any facsimile copy, electronic data transmission, or electronic data storage of this Agreement, any Transaction Statement, billing statement, financing statement, authorization to pre-file financing statements, invoice from a Vendor, financial statements or other reports, which will be deemed an original, and the best evidence thereof for all purposes. This Agreement shall be construed without presumption for or against any party that drafted all or any portion of this Agreement. No modification of this Agreement shall bind BAC unless in a writing signed by BAC and transmitted to Boat Club Operator. Among other symbols, BAC hereby adopts "Brunswick Acceptance Company, LLC", "Brunswick Acceptance Company", "BAC" or "Lender" as evidence of its intent to authenticate a record. BAC may rely on (i) an electronic signature acceptable to BAC in its discretion that complies with applicable electronic commerce acts or any other relevant and applicable electronic signatures law; (ii) an original manual signature; or (iii) a faxed, scanned, or photocopied manual signature, so delivered by Boat Club Operator. This Agreement shall be effective upon BAC's receipt of Boat Club Operator's signature to this Agreement and all documents required by BAC in connection with this Agreement, in form and substance satisfactory to BAC in its sole discretion. BAC may accept this Agreement by issuance of an approval to Vendor for the purchase of inventory by Boat Club Operator or by making an advance under this Agreement. Each electronic signature or faxed, scanned, or photocopied manual signature shall for all purposes have the same validity, legal effect, and admissibility in evidence as an original manual signature. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but such counterparts shall, together, constitute only one instrument.

**23. Limitation of Remedies and Damages.** A "Dispute" shall mean any action, dispute, claim or controversy under common law, statutory law or in equity of any type or nature whatsoever, and whether directly or indirectly arising from or relating to: (a) this Agreement and/or any amendments and addenda to this Agreement, or the breach, invalidity or termination of this Agreement; (b) any previous or subsequent agreement between BAC and Boat Club Operator with respect to the subject matter of this Agreement; (c) any act committed by BAC or BAC Affiliate (the "BAC Companies"), or by any employee, agent, officer or director of a BAC Company, whether or not arising within the scope and course of employment or other contractual representation of the BAC Companies, provided that such act arises under a relationship, transaction or dealing between BAC and Boat Club Operator with respect to this Agreement or the subject matter of this Agreement; and/or (d) any other relationship, transaction or dealing between BAC and Boat Club Operator with respect to this Agreement or the subject matter of this Agreement. In the event of a Dispute, the aggrieved party shall not be entitled to exemplary or punitive damages. The aggrieved party's remedy in connection with such Dispute shall be limited to a breach of contract action, and any damages in connection with such Dispute are limited to actual and direct damages, except that BAC may seek equitable relief in connection with any judicial repossession of, or temporary restraining order with respect to, the Collateral.

**24. Time Limitations.** Any proceeding (including any arbitration proceeding) must be instituted with respect to any Dispute within two (2) years after the date the incident giving rise thereto occurred, whether or not any damage was sustained or capable of ascertainment or either party knew of such incident. Failure to institute a proceeding (including an arbitration proceeding) with respect to a Dispute within such time period will constitute an absolute bar and waiver to the institution of any proceeding, whether arbitration or a court proceeding, with respect to such Dispute. Notwithstanding the foregoing, this Time Limitations provision will be suspended temporarily as of the date any of the following events occurs with respect to Boat Club Operator or Vendor and will not resume until the date following the date Boat Club Operator or Vendor, as applicable, is no longer subject to (i) bankruptcy, (ii) receivership, (iii) any proceeding regarding an assignment for the benefit of creditors, or (iv) any legal proceeding, civil or criminal, that prohibits either party from foreclosing any interest it might have in the collateral of the other party.

## **25. BINDING ARBITRATION.**

### **THIS SECTION CONTAINS A BINDING ARBITRATION CLAUSE THAT MAY AFFECT HOW YOU RESOLVE DISPUTES.**

(a) **Arbitrable Claims.** This Agreement concerns transactions involving commerce among several states. The Federal Arbitration Act, Title 9 U.S.C. Sections 1 et seq., as amended ("FAA") shall govern all arbitration(s) and confirmation proceedings under this Agreement. Except as otherwise specified below, all Disputes will be subject to and resolved by binding arbitration. The arbitrator(s) shall decide whether the parties have agreed to arbitrate, and whether this binding arbitration Section covers, the particular Dispute between the parties. Notwithstanding the foregoing, "Disputes" does not include any dispute or controversy about the validity or enforceability of this Binding Arbitration provision or any part of this provision (including the Class Action Waiver set forth below and/or this sentence); all such disputes or controversies are for a court and not an arbitrator to decide. However, any dispute or controversy that concerns the validity or enforceability of this Agreement as a whole is for the arbitrator, not a court, to decide. For the avoidance of doubt, if there is any conflict or inconsistency between this Binding Arbitration provision and any other arbitration



provision in any previous or subsequent agreement between BAC and Boat Club Operator (other than a subsequently executed Inventory Financing Agreement), the parties agree that, with respect to any Dispute, this Binding Arbitration provision shall control and supersede any such other arbitration provision. Moreover, the parties agree that either party may pursue individual claims against the other that do not exceed Seventy-Five Thousand Dollars (\$75,000.00) in the aggregate through litigation. Service of arbitration claims, arbitration pleadings and confirmation pleadings or motions shall be effective if made by registered or certified U.S. mail or overnight delivery to the address for the party described in this Agreement. Any change of address for purposes of service must be served by written notification to the other party at the address listed in this Agreement. The parties also agree that service on a party's registered agent in the state where the party is organized is proper and effective service on that party.

(b) Administrative Body. All arbitration under this Agreement will be conducted with (i) The American Arbitration Association ("AAA") pursuant to its Commercial Arbitration Rules in effect at the time the arbitration is commenced or (ii) Miles Mediation & Arbitration ("MM&A") pursuant to its Consolidated Arbitration Rules in effect at the time the arbitration is commenced. AAA claims may be filed in any AAA office. Claims filed with MM&A shall be filed in its office located at 500 N Broadway, Suite 1800, St. Louis, Missouri 63102. All arbitrator(s) selected shall be attorneys with at least five (5) years' experience in either secured transactions, bankruptcy or creditor's rights. All arbitrations shall be conducted by one (1) arbitrator except as specifically set forth below or unless all parties agree otherwise. For all individual claims exceeding Two Million Dollars (\$2,000,000.00), exclusive of interest, costs and attorney's fees, a party may demand, within forty (40) days of service of the arbitration demand that the arbitration be conducted by a panel of three (3) arbitrators instead of one (1) arbitrator. The parties shall select the arbitrator(s) using the procedures set forth in the arbitration rules of the applicable arbitral forum. The arbitrator(s) shall decide if any inconsistency exists between the rules of the applicable arbitral forum and the arbitration provisions contained in this Agreement. If such inconsistency exists, the arbitration provisions contained in this Agreement shall control and supersede such rules. The arbitrator(s) shall follow the terms of this Agreement and the applicable law, including the attorney-client privilege and the attorney work product doctrine.

(c) Hearings. The parties desire to resolve any Disputes that may arise in the most efficient and cost-effective manner. With this desire in mind, each party hereby consents to a documentary hearing for all arbitration claims by submitting the Dispute for resolution to the arbitrator(s) through written briefs and affidavits, along with relevant documents. However, arbitration claims will be submitted by way of an oral hearing if any party submits a written request for an oral hearing within forty (40) days after service of the claim and that party remits the appropriate deposit for such party's assessed share of the increased costs, fees and arbitrator compensation (as decided and billed by the administrator) that result from an oral hearing within ten (10) days of when those fees are due. Each party agrees that failure to timely pay all fees and arbitrator compensation billed to the party requesting the oral hearing will be deemed such party's consent to submitting the Dispute to the arbitrator(s) on documents and such party's waiver of its request for an oral hearing. The site of any oral arbitration hearing, if conducted in person, will be designated by the party commencing the arbitration, either in the Division of the Federal Judicial District in which the designated arbitration association maintains a regional office that is closest to Boat Club Operator or in Chicago, Illinois.

(d) Discovery. In an effort to reduce costs for all parties and except as otherwise provided, the use of interrogatories, requests for admission, requests for the production of documents or the taking of depositions shall not be permitted. Instead, the parties agree that in any arbitration proceeding commenced under this Agreement, they shall engage in a limited exchange of information and documents as follows: (i) no later than sixty (60) days after the filing and service of a claim for arbitration, the parties shall exchange detailed statements setting forth the facts supporting the claim(s) and all defenses to be raised during the arbitration, and a list of all exhibits and fact witnesses; (ii) upon request (which shall not be delivered prior to the exchange of detailed statements), a party shall provide copies of any proposed exhibits and/or a summary of the proposed testimony of any witness within fourteen (14) days of the request; (iii) in cases of extraordinary circumstances and for good cause shown, the arbitrator(s) may allow a party to make a limited request for production of documents; (iv) no later than twenty-one (21) days prior to any oral arbitration hearing, the parties will exchange a final list of all exhibits and all witnesses, including any designation of any expert witness(es) together with a summary of their testimony; (v) in the event a party designates any expert witness(es), the following will apply: (A) all information and documents relied upon by the expert witness(es) will be delivered to the opposing party and (B) the opposing party will be permitted to designate rebuttal expert witness(es) no later than seven (7) days prior to any oral arbitration hearing; and (vi) in cases where the amount of the individual Dispute or any individual counterclaim is in excess of Two Million Dollars (\$2,000,000.00), exclusive of interest, costs and attorneys' fees, the parties agree that the following additional discovery and motion practice shall be permitted: (x) up to three (3) depositions per side with each lasting no more than seven (7) hours; and (y) the arbitrator(s) shall be empowered to accept and rule on dispositive motions filed by either or both parties, including motions for summary judgment. The arbitrator shall have the power to resolve any Disputes with regard to the above limited exchange of information and documents.

(e) EXEMPLARY OR PUNITIVE DAMAGES. BOAT CLUB OPERATOR AND BAC AGREE THAT BY ENTERING INTO THIS AGREEMENT, BOAT CLUB OPERATOR AND BAC WAIVE THEIR RIGHT TO SEEK EXEMPLARY OR PUNITIVE DAMAGES AND FURTHER AGREE THAT THE ARBITRATOR(S) SHALL NOT HAVE THE AUTHORITY TO AWARD EXEMPLARY OR PUNITIVE DAMAGES TO ANY PARTY. IF THIS SPECIFIC PROVISION IS FOUND TO BE INVALID OR UNENFORCEABLE, THEN THE ENTIRETY OF THIS BINDING ARBITRATION SECTION SHALL BE NULL AND VOID WITH RESPECT TO SUCH PROCEEDING, SUBJECT TO THE RIGHT TO APPEAL THE LIMITATION OR INVALIDATION OF THIS PROVISION.

(f) Confidentiality/Confirmation of Awards. All arbitration proceedings, including testimony or evidence at hearings, will be kept confidential, although any award or order rendered by the arbitrator(s) pursuant to the terms of this Agreement may be confirmed as a judgment or order in any state or federal court of competent jurisdiction as set forth below and pursuant to the FAA.

(g) Prejudgment and Provisional Remedies. Notwithstanding the foregoing, any party may file, in a court of competent jurisdiction, an action for bankruptcy, receivership, injunction, repossession, replevin, claim and delivery, sequestration, seizure, attachment, foreclosure, and/or any other prejudgment or provisional action or remedy relating to any Collateral or to preserve a party's assets for any current or future debt owed by either party to the other. The purpose of such action or remedy is solely the protection of a party's rights, to maintain the status quo pending the confirmation of any award arising in arbitration or for possession of Collateral and not for the award of money damages. Arbitration shall be the sole action and remedy for a party to recover money damages, except as otherwise provided in this Agreement. The filing of any such action or remedy shall not waive any party's right to compel arbitration of any Dispute.

(h) Attorneys' Fees. The arbitrator(s) shall have the authority to award all attorneys' fees, arbitral fees/expenses and other expenses to any party that prevails in an arbitration proceeding under this Agreement.

(i) Survival After Termination. The agreement to arbitrate will survive the termination of this Agreement.

(j) CLASS ACTION WAIVER. BOAT CLUB OPERATOR AND BAC AGREE THAT BY ENTERING INTO THIS AGREEMENT, BOAT CLUB OPERATOR AND BAC WAIVE THEIR RIGHT TO PARTICIPATE IN A CLASS ACTION, PRIVATE ATTORNEY GENERAL ACTION OR OTHER REPRESENTATIVE ACTION AGAINST THE OTHER IN A COURT OR IN ARBITRATION. BOAT CLUB OPERATOR AND BAC FURTHER AGREE THAT EACH MAY BRING DISPUTES AGAINST EACH OTHER ONLY IN THEIR INDIVIDUAL CAPACITY AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING. Further, unless both Boat Club Operator and BAC agree otherwise, arbitration claims may not be joined or consolidated in the arbitration proceeding. In no event shall the arbitrator have authority to preside over any form of representative or class proceeding or to issue any relief that applies to any person or entity other than Boat Club Operator and/or BAC individually. If this Class Action Waiver is found to be invalid or unenforceable in whole or in part, then the entirety of this Binding Arbitration Section (except for this sentence) shall be null and void with respect to such proceeding, subject to the right to appeal the limitation or invalidation of the Class Action Waiver.



**26. Governing Law.** All Disputes will be governed by, and construed in accordance with, the laws of Illinois without regard to the conflict of law rules, except to the extent inconsistent with the provisions of the FAA, which will control and govern all arbitration proceedings contemplated by this Agreement.

**27. WAIVER OF RIGHT TO JURY TRIAL.** ANY PROCEEDING WITH RESPECT TO ANY DISPUTE THAT IS TRIED IN COURT, INCLUDING ANY DISPUTE TRIED IN COURT AS A RESULT OF ANY PORTION OF THE AGREEMENT TO ARBITRATE BEING FOUND TO BE UNENFORCEABLE, INVALID, OR WAIVED BY THE PARTIES, WILL BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE WITHOUT A JURY. BOAT CLUB OPERATOR AND BAC WAIVE ANY RIGHT TO A JURY TRIAL IN ANY SUCH PROCEEDING.

**28. JURISDICTION AND VENUE.** Each party submits to, consents to, and accepts the following courts' personal jurisdiction over the party and the selection of such courts as the exclusive forum for all litigation:

(a) Confirming, Vacating, Modifying or Correcting Awards – All litigation regarding confirming, vacating, modifying or correcting an arbitration award shall be brought exclusively in (i) any state or federal court of competent jurisdiction within the federal judicial district wherein the award was made or which includes the residence of the party against whom such award or order was entered, or (ii) in the United States District Court for the Northern District of Illinois, or (iii) in the Circuit Court of Cook County, Illinois.

(b) Prejudgment and Provisional Remedies - All litigation regarding Prejudgment and Provisional remedies shall be brought exclusively in any court (i) where the Boat Club Operator is located, (ii) where the Collateral is located, (iii) the United States District Court for the Northern District of Illinois, or (iv) the Circuit Court of Cook County, Illinois.

(c) All Other Disputes. Any other legal proceeding with respect to any Dispute that is not otherwise subject to arbitration, because the agreement to arbitrate is found to be unenforceable, is found to be invalid, or is waived by the parties, shall be brought exclusively in the United States District Court for the Northern District of Illinois or the Circuit Court of Cook County, Illinois.

SAMPLE

**THIS CONTRACT CONTAINS BINDING ARBITRATION, CLASS ACTION WAIVER, JURY WAIVER, PUNITIVE DAMAGE WAIVER AND OTHER PROVISIONS THAT LIMIT BOAT CLUB OPERATOR’S RIGHTS. BOAT CLUB OPERATOR HAS READ THE TERMS AND CONDITIONS OF THIS CONTRACT AND KNOWINGLY AND VOLUNTARILY AGREES THERETO.**

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed as of the date first written above by their duly authorized representatives.

Boat Club Operator: **[Operator Name]**

\_\_\_\_\_

Signature of Authorized Signer

\_\_\_\_\_

Print Name

\_\_\_\_\_

Print Title

(Attach copy of Driver’s License or State ID card for parties signing in their individual capacity.)

Boat Club Operator: **[Operator Name]**

\_\_\_\_\_

Signature of Authorized Signer

\_\_\_\_\_

Print Name

\_\_\_\_\_

Print Title

BAC: **Brunswick Acceptance Company, LLC.**

\_\_\_\_\_

Signature of Authorized Signer

\_\_\_\_\_

Print Name

\_\_\_\_\_

Print Title

**EXHIBIT H-12**

**FREEDOM BOAT CLUB FRANCHISE**

**SAMPLE FLEET PROGRAM AGREEMENT**



## FREEDOM FRANCHISE FLEET PROGRAM AGREEMENT

(the “Agreement”)

Dated as of October 1, 2025

### PARTIES

**BETWEEN:** \_\_\_\_\_ (the “Freedom Franchisee”), with primary offices located at \_\_\_\_\_.

**AND:** Brunswick Family Boat Co. Inc., d/b/a Bayliner, Heyday Inboards, and Heyday Wake Boats, Boston Whaler, Inc., Brunswick Leisure Boat Company, LLC, d/b/a Harris, Princecraft Boats Inc., Thunder Jet Boats, Inc., Lund Boat Company, Navan, the Sea Ray, Crestliner, and Lowe Boats Divisions of Brunswick Corporation, and any other Brunswick boat brands (collectively referred to herein as “BBG”) with its headquarters located at 800 South Gay Street, Suite 1300, Knoxville, Tennessee.

BBG and the Freedom Franchisee, when referred to separately shall be referred to as the “Party” and when referred to together herein shall be referred to as the “Parties”.

### RECITALS

- A. BBG is in the business of manufacturing fiberglass and aluminum recreational boats under the brand names listed on **Exhibit A** (the “Boats”).
- B. Freedom Franchisee is in the business of owning and operating a Freedom Boat Club franchise business comprised of at least one on-water club location (the “Freedom Club”) pursuant to that certain Franchise Agreement between Freedom Franchise Systems, LLC and Freedom Franchisee (the “Franchise Agreement”) that is anticipated to remain active and in force for the duration of the Term.
- C. Freedom Franchisee has previously signed and returned a Capability Survey and Confidentiality Agreement (the “NDA”) and is now interested in and wishes to purchase at least one Boat for commercial use in its Freedom Club, and desires to enter into this Franchise Fleet Program Agreement to facilitate the same.

### SCHEDULE

|                                        |                                                                                                                                                                                                                                                             |                                                                                                              |                                                                                                                                                                                       |
|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Item 1: Term</b>                    | 1 year (the “Term”), from October 1, 2025 (the “Commencement Date”) to September 30, 2026, or until the termination of the Franchise Agreement (as defined below)                                                                                           |                                                                                                              |                                                                                                                                                                                       |
| <b>Item 2: Boat Brands Selected</b>    | <input type="checkbox"/> Bayliner<br><input type="checkbox"/> Sea Ray<br><input type="checkbox"/> Navan                                                                                                                                                     | <input type="checkbox"/> Boston Whaler<br><input type="checkbox"/> Harris<br><input type="checkbox"/> Heyday | <input type="checkbox"/> Lowe<br><input type="checkbox"/> Princecraft<br><input type="checkbox"/> Lund<br><input type="checkbox"/> Crestliner<br><input type="checkbox"/> Thunder Jet |
| <b>Item 3: Boat Delivery Locations</b> | _____<br>_____<br>_____<br>[all locations Freedom Franchisee plans to take delivery of the Boats]                                                                                                                                                           |                                                                                                              |                                                                                                                                                                                       |
| <b>Item 4: Designation</b>             | <input type="checkbox"/> Direct Program <input type="checkbox"/> Dealer Program<br>(determined at BBG’s sole discretion as per Section 1(b)(iii) below)                                                                                                     |                                                                                                              |                                                                                                                                                                                       |
| <b>Item 5: Minimum Holding Period</b>  | For Sea Ray, Boston Whaler, and Navan Boats, the shorter of █ boating seasons or █ months, and for all other available BBG brands’ Boats, █ months or the start of the applicable brand’s new model year, whichever is later (the “Minimum Holding Period”) |                                                                                                              |                                                                                                                                                                                       |
| <b>Item 6: Warranty</b>                | Warranty details will be provided by BBG and attached as Exhibit B                                                                                                                                                                                          |                                                                                                              |                                                                                                                                                                                       |

### AGREEMENT

The Parties hereby agree as follows:

1. **Program Participation and Key Terms.**

- a. Subject to the terms and conditions in this Agreement, BBG hereby grants Freedom Franchisee the right to participate in its Franchisee Fleet Program (the “**Program**”) for the purchase of Boats for use in its Freedom Club.
- b. **Sales Channels.** Boat purchases by Freedom Franchisee made pursuant to the Program will occur in one or both of the following ways:
  - i. **Direct Program for qualifying Core Boat sales.** Sales may be made directly from BBG to Freedom Franchisee (the “**Direct Program**”), which shall allow for the direct sales solely of those boat models designated as “Core” on the attached Exhibit A (the “**Core Boats**”), and/or;
  - ii. **Dealer Program for Complementary Boat and non-qualifying Core Boat sales.** Sales may be made through a participating BBG dealer (the “**Dealer Program**”), for the sales of Core Boats if Freedom Franchisee does not qualify for the Direct Program, and for the sale of those boat models designated as “Complementary” on the attached Exhibit A (the “**Complementary Boats**”).
  - iii. BBG will evaluate and determine in its sole discretion, based on the information provided in the NDA and any subsequent communication, whether Freedom Franchisee has the appropriate technical capabilities to participate in the Direct Program.
- c. **No Personal Use.** Freedom Franchisee agrees that any and all Boats purchased under the Program will be for Freedom Franchisee’s sole corporate ownership and will be used solely for use in its Freedom Club. Use of the Boats for personal purposes is strictly prohibited.
- d. **Resale and Minimum Holding Period.** As further described in Section 5(a) of this Agreement, should Freedom Franchisee resell the Boats, it agrees to do so pursuant to the terms of this Agreement, and not resell the Boats until the passage of the Minimum Holding Period, as set forth in Schedule Item 5, which shall be measured on a Boat by Boat basis from the date each Boat is delivered to Freedom Franchisee by either BBG or the Participating Dealer. Freedom Franchisee may be granted exceptions if mutually agreed with the applicable Boat brand.
- e. **Term, Termination.** The term of this Agreement shall be as set forth in Schedule Item 1, subject, however, to earlier termination pursuant to the terms of this Agreement. Neither Party is under any obligation, express or implied, to renew or extend this Agreement or to enter into a new Agreement upon expiration. BBG and Freedom Franchisee acknowledge and agree that if Freedom Franchisee continues to purchase Boats after this Agreement expires without the execution and delivery of a new agreement, there is no tacit, deemed or other renewal or extension of this Agreement, but if BBG or a Participating Dealer continues to sell Boats to Freedom Franchisee after termination or expiration of this Agreement, Freedom Franchisee shall continue to participate in the Program on a month-to-month basis, and such sales shall be subject to the applicable terms and conditions of this Agreement. In such case, either BBG or Freedom Franchisee may terminate this Agreement upon at least two (2) months’ prior written notice to the other Party. Either Party may, upon thirty (30) days written notice to the other Party, stating the reasons therefore, terminate this Agreement upon the other Party’s breach or default of any of the obligations, covenants, representations, warranties, or duties imposed in this Agreement or in BBG’s Program related policies and programs, provided that the breach or default has not been cured during the notification period. In addition, this Agreement shall terminate if the underlying Franchise Agreement is terminated or expires.

2. **Key Program Obligations.** The Parties agree as follows related to all purchases made pursuant to the Program, irrespective of whether they are made under the Direct Program or the Dealer Program:

- a. Freedom Franchisee shall utilize the Boats only for the lawful business purposes of operating its Freedom Club and will keep the Boats in material compliance with all applicable laws and regulations.
- b. Freedom Franchisee shall maintain a financial condition which is adequate to satisfy and perform its obligations under this Agreement and an ability to purchase the Boats via floor plan and/or self-financing.

- c. Freedom Franchisee shall conduct business in a manner that preserves and enhances the reputation and goodwill of both BBG and Freedom Franchisee for providing quality products and services, and refrain from using any false, misleading, or deceptive advertising.
  - d. Freedom Franchisee shall submit truthful and accurate statements, reports, and information to BBG and any financial institution financing or proposing to finance the Boats.
  - e. Freedom Franchisee shall provide BBG with access to its books and records to verify the accuracy of information submitted for participation and eligibility in the Program.
  - f. Freedom Franchisee understands that it may be responsible for fees beyond pricing indicated by BBG pursuant to the Program, which may include dealer prep, rigging, freight, registration, taxes (which may include Federal, State and Local taxes and may or may not be calculated and due at the time of purchase) and other charges.
  - g. Freedom Franchisee acknowledges that BBG and its affiliates may amend, modify, suspend, or discontinue the Program at any time.
3. **Key Dealer Program Obligations.** If Freedom Franchisee does not qualify for the Direct Program, or if Freedom Franchisee does qualify for the Direct Program, but would like to purchase a Complementary Boat, the Freedom Franchisee agrees to the following:
- a. Freedom Franchisee shall work with BBG to determine the appropriate dealer to work with for the purchase and service of the Boats by brand (the “**Participating Dealer**”); in all cases, however, BBG shall make the final determination as to the Participating Dealer(s) for Freedom Franchisee, recognizing that there may be a different Participating Dealer for each brand.
  - b. Purchases made through the Dealer Program shall be made entirely through the assigned Participating Dealer and any pricing provided by BBG shall only be considered preliminary pricing, in every case subject to finalization by the Participating Dealer, including, but not limited to adjustments or charges mentioned in Section 2(e) of this Agreement.
  - c. Freedom Franchisee shall ensure all warranty work for Boats purchased through the Dealer Program, including in connection with service bulletins and recalls, is performed at an authorized dealer, which should be the Participating Dealer through which the Boat was purchased.
4. **Key Direct Program Obligations.** If Freedom Franchisee qualifies for the Direct Program, as determined by BBG, Freedom Franchisee agrees to the following:
- a. **Warranty Service and Registration.** Freedom Franchisee shall maintain staff, train, and equip a service person to promptly and professionally perform warranty service on the Boats, including in connection with service bulletins and recalls; and maintain limited parts and supplies (or readiness to order less common parts) to properly perform such service on the Boats, and in so doing, maintain complete Boat warranty and service records. Freedom Franchisee agrees to the warranty registration process for any Boats purchased pursuant to the Program before using the Boat.
  - b. **Delivery Preparation.** Freedom Franchisee shall properly perform any and all necessary rigging, installation, and inspection prior to putting the Boats in service at its Freedom Club.
  - c. **Shipping.** All shipments to Freedom Franchisee shall be made FCA (or CIP if Freedom Franchisee is located in Puerto Rico) the BBG factory designated by BBG, and title and risk of loss shall pass to Freedom Franchisee at the BBG factory at the time the Boats or parts are tendered to the designated carrier, or Freedom Franchisee itself. Unless otherwise agreed, Freedom Franchisee shall pay all applicable shipping, transportation, delivery, and handling charges.
  - d. **Orders.** Freedom Franchisee agrees to submit orders to the appropriate BBG brand in a manner and format prescribed by BBG, which orders shall be subject to the terms of this Agreement. Any order which does not comply with BBG’s terms and conditions need not be filled. Any additional or different terms submitted by Freedom Franchisee will be deemed rejected and will also be void and of no effect unless specifically accepted in writing by BBG. Freedom Franchisee cancellation of orders will be subject to BBG’s current cancellation policy. All orders submitted by Freedom Franchisee are subject to acceptance by BBG and BBG may reject any orders for any reason in its sole discretion.
  - e. **Pricing.** The Boats sold to Freedom Franchisee by BBG shall be on the basis of pricing provided by BBG or its affiliated brands upon the request of Freedom Franchisee. BBG shall have no obligation to



reimburse Freedom Franchisee for any loss which Freedom Franchisee may sustain by reason of any change in prices, programs, or discounts. Terms of payment will be as specified from time to time by BBG. Freedom Franchisee will pay BBG the lesser of 1.5% late charges per month or the maximum permitted by applicable law on any past due invoice. BBG further reserves the right to seek reimbursement for any discounts, rebates or incentives paid to Freedom Franchisee that were unearned by Freedom Franchisee pursuant to the Program requirements. BBG may refuse shipment for any credit reason, including, without limitation, Freedom Franchisee's failure to pay for a prior shipment or to pay any financial institution that finances Freedom Franchisee's purchases, or for Freedom Franchisee's failure to properly utilize the Boats in the Freedom Club. Freedom Franchisee will reimburse BBG for all reasonable costs in collecting past due accounts, including attorney fees and court costs. Freedom Franchisee hereby grants to BBG and BBG hereby retains a security interest in all Boats sold to Freedom Franchisee and all proceeds arising out of the sale of the Boats until such Boats are paid for in full. Freedom Franchisee agrees to sign, file, authenticate, and authorize the signing, filing, and authenticating by BBG of such financing statements and other documents and do such other acts, as BBG may request to establish and maintain a valid and protected security interest in the Boats.

- f. **Payment - Claims.** Unless otherwise agreed between BBG and Freedom Franchisee in writing, all sales of Boats to Freedom Franchisee shall be paid for in advance by Freedom Franchisee. After an order has been submitted by Freedom Franchisee and accepted by BBG, payments by Freedom Franchisee through a financial institution for the Boat(s) related to the order shall not be conditioned on Freedom Franchisee's pre-approval. In the event of a delay in shipping Boats to Freedom Franchisee resulting from a Freedom Franchisee pre-approval, Freedom Franchisee shall be subject to applicable charges pursuant to BBG's policies. All claims for shortage or damages or unacceptable Boats shall be made at the time of arrival of the shipment. The failure of Freedom Franchisee to give such notification shall constitute a waiver of any such claim. Freedom Franchisee shall cause to be paid or shall make reimbursement to BBG in full for any and all taxes, duties, or other charges imposed by federal, state, municipal, or other governmental authority upon any purchase or sale under this Agreement.
- g. **BBG Approval.** In order for Freedom Franchisee to participate in the Direct Program, Freedom Franchisee has formally applied using the form attached hereto on Exhibit D and received approval from the appropriate BBG departments.

5. **Miscellaneous Terms Applicable to the Program.** The following terms shall be applicable to all purchases made pursuant to the Program, irrespective of whether they are made under the Direct Program or the Dealer Program.

- a. **Resale of Boats.**
  - i. If Freedom Franchisee resells the Boats, which must occur only following the Minimum Holding Period, Freedom Franchisee agrees that no representations of any warranties of merchantability, fitness for use, or otherwise, express or implied, on the Boats, will be made with respect to any resale, and that if the Boats are resold, a statement shall be included in the purchase and sale agreement with the retail purchaser that all such warranties will be excluded, however any remaining transferable commercial warranty (see Exhibit B for specific warranty terms and transferability) shall still apply. Freedom Franchisee shall provide BBG with a copy of such agreement upon BBG's request. Additionally, Freedom Franchisee shall provide each retail purchaser with information and training as to the safe and proper operation and maintenance of the Boats.
  - ii. Freedom Franchisee must inform the purchaser of any resold Boat of his or her obligation to warranty register the Boat with BBG, for the purpose of assisting BBG in performing defect and recall campaigns.
  - iii. Freedom Franchisee shall not directly or indirectly sell Products for use by or to a purchaser located outside of the country in which the Freedom Franchisee is located, and shall not sell Products to a third party who Freedom Franchisee knows or should know will resell the Products outside of the country in which the Freedom Franchisee is located.
- b. **Repairs and Warranty.**

- i. The limited warranty attached hereto as Exhibit B shall apply to all Boats sold to Freedom Franchisee pursuant to the Program and shall extend for a period from the date of delivery as set forth in Exhibit B. EXCEPT AS SPECIFICALLY PROVIDED IN SUCH LIMITED WARRANTY AND THIS AGREEMENT, BBG MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AND EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTY, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
- ii. Freedom Franchisee must notify BBG in writing if Freedom Franchisee or the Participating Dealer is unable to address and resolve a concern or complaint related to a Boat after one (1) attempt for a safety issue or two (2) attempts for a non-safety issue, and provide BBG with information related to (i) the concern or complaint, (ii) Freedom Franchisee's prior actions in an effort to address the issue, and (iii) Freedom Franchisee's plan/proposal to address the unresolved concerns.
- iii. Freedom Franchisee understands that BBG does not provide a warranty or protection coverage for modified or altered Boats, including, but not limited to performance enhancement modifications. Consequently, Freedom Franchisee agrees it will notify BBG in writing any time Freedom Franchisee modifies or alters a Boat in any manner.
- c. **Limitation of Liability.** In no event will BBG's liability for any Boat sold hereunder exceed the purchase price of the Boat, or in the aggregate the total purchase price of all Boats sold hereunder. MOREOVER, IN NO EVENT SHALL BBG BE LIABLE TO FREEDOM FRANCHISEE OR ANY THIRD PARTY FOR, NOR SHALL THE MEASURE OF DAMAGES INCLUDE, ANY AMOUNTS FOR INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES (INCLUDING WITHOUT LIMITATION LOST PROFITS AND DAMAGES AS A RESULT OF BUSINESS INTERRUPTION) FOR ANY REASON OR UPON ANY CAUSE OF ACTION, WHETHER SOUNDING IN TORT, CONTRACT, OR ANY OTHER LEGAL THEORY.
- d. **Indemnification.** Freedom Franchisee shall defend, indemnify, and hold BBG, its parent, subsidiaries and affiliates (collectively, "**BBG Indemnitees**"), harmless from all actions, settlements, judgments, awards, costs, damages, liabilities and expenses, including reasonable attorney's fees (collectively, "**Damages**") incurred by any BBG Indemnitees as a result of any third party claim against any BBG Indemnitees arising from Freedom Franchisee's ownership and/or operation of the Boats.
- e. **Policies.** Freedom Franchisee must comply with those obligations that may be imposed or established by BBG related to the Program. There are no third party beneficiary rights to such policies and procedures or this Agreement.
- f. **Discontinuation or Modification of Boat Models.** BBG shall have the right to discontinue the sale of Boat models or to modify the design, specifications and components of any Boat model at any time in its sole discretion; provided, however, that BBG shall notify Freedom Franchisee, prior to shipment, of any major changes with respect to Boats previously ordered by Freedom Franchisee but not yet delivered, in which event Freedom Franchisee shall have the right to terminate such order within five (5) days after such notification by providing written notice to BBG. The failure by Freedom Franchisee to provide such timely written notification shall be deemed acceptance by Freedom Franchisee of such changes. BBG shall not be liable to Freedom Franchisee for any loss, damage, compensation, or reimbursement arising out of changes in any Product's design or the withdrawal of any Product.
- g. **Trademarks and Service Marks.** Freedom Franchisee acknowledges that BBG or its affiliated companies are the exclusive owners of the various trademarks, service marks, trade designations, logos, and trade dress (collectively "**Identification**") which BBG uses in connection with its products and its business, including the Boats purchased pursuant to the Program. Freedom Franchisee agrees not to register the Identification and, except as otherwise provided pursuant to the terms of this Agreement and the Franchisee Advertising Policy attached hereto as Exhibit C., Freedom Franchisee agrees not to use the Identification in any manner whatsoever.
- h. **No Agency Created.** It is understood and agreed that Freedom Franchisee is not, nor shall it at any time represent itself to be, the agent, employee, or representative of BBG for any purpose. Freedom Franchisee shall not enter into any contract or commitment in the name of or on behalf of BBG. BBG has no fiduciary duty to Freedom Franchisee pursuant to this Agreement or the relationship between the Parties.



- i. **Assignment.** This Agreement is made and entered into with the distinct understanding that it is personal with Freedom Franchisee. Accordingly, Freedom Franchisee shall not assign, sell, transfer, convey or pledge (collectively referred to herein as an "assignment") this Agreement or any of its rights or obligations hereunder, whether by operation of law or otherwise, without the express prior written consent of BBG.
- j. **Change in Control.** This Agreement is made and entered into in reliance on Freedom Franchisee's current ownership and management. Accordingly, if there is any change in Freedom Franchisee's current shareholders, members, partners, or owners, or in the current management of Freedom Franchisee (each case a "Change in Control") without BBG's prior written consent, then BBG shall thereafter have the right, exercisable in its sole discretion during the sixty (60) day period following the date on which BBG obtains knowledge of the Change in Control, to terminate this Agreement.
- k. **Entire Agreement.** This Agreement contains the entire agreement between the Parties and may not be amended or modified except by written instrument signed by BBG and Freedom Franchisee that expressly references this Agreement. Failure on the part of BBG or Freedom Franchisee to enforce any term of this Agreement shall not constitute a waiver thereof. Any provision of this Agreement which in any way contravenes or is unenforceable under applicable law shall not apply and shall be deemed separable and not to be a part of this Agreement without affecting the validity of the remaining provisions.
- l. **Class Action Bar.** BBG and Freedom Franchisee agree that any proceeding will be conducted on an individual basis and that any proceeding between Brunswick Corporation and any of its affiliates, including Freedom Boat Club, LLC, Freedom Franchise Systems, LLC, BBG and any of BBG's officers, directors and employees, on the one hand and Freedom Franchisee or any of Freedom Franchisee's officers, directors, owners, guarantors or employees on the other hand, may not be (i) conducted on a class-wide basis (ii) commenced, conducted or consolidated with any other proceeding, (iii) joined with any claim of an unaffiliated third party, or (iv) brought on Freedom Franchisee's behalf by any association or agent.
- m. **Confidentiality.** Freedom Franchisee shall continue to be bound by the terms of the NDA.
- n. **Governing Law.** This Agreement shall be governed, incorporated, and construed according to the laws of the State of Tennessee, U.S.A., without regard to its conflicts of law principles.

IN WITNESS WHEREOF, the Parties have executed this Agreement by their respective authorized representatives as of the date first set forth above.

Brunswick Boat Group,  
a division of Brunswick Corporation

\_\_\_\_\_  
Freedom Franchisee

By: \_\_\_\_\_  
(signature)

By: \_\_\_\_\_  
(signature)

Name: \_\_\_\_\_  
(printed name)

Name: \_\_\_\_\_  
(printed name)

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

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

SAMPLE

**EXHIBIT A**  
**Boat Offering Details**

| <b>Brand</b>                                    | <b>Model</b>                                                | <b>Offering Type</b> |
|-------------------------------------------------|-------------------------------------------------------------|----------------------|
| Bayliner                                        | Entire Lineup                                               | Core                 |
| Sea Ray                                         | SPX                                                         | Core                 |
| Sea Ray                                         | SDX, SLX, Sundancer                                         | Complementary        |
| Boston Whaler                                   | Super Sports, Montauks, Dauntless, 230 Outrage, 210 Vantage | Core                 |
| Boston Whaler                                   | Vantage, Conquest, Outrage, Realm                           | Complementary        |
| Harris                                          | Entire Lineup                                               | Core                 |
| Heyday                                          | Entire Lineup                                               | Core                 |
| Lowe                                            | Entire Lineup                                               | Core                 |
| Lund                                            | Entire Lineup                                               | Core                 |
| Crestliner                                      | Entire Lineup                                               | Core                 |
| Thunder Jet                                     | Entire Lineup                                               | Core                 |
| Princecraft                                     | Entire Lineup                                               | Core                 |
| Navan                                           | S30                                                         | Core                 |
| Navan                                           | C30                                                         | Complementary        |
| All other available Brunswick brands and models |                                                             | Complementary        |

**EXHIBIT B**

**BRUNSWICK BOAT GROUP LIMITED COMMERCIAL USE WARRANTY  
EXCLUSIVELY FOR FREEDOM BOAT CLUB FRANCHISEES**

**(see attached)**

SAMPLE

## Exhibit C

### Advertising Policy

#### Brunswick Boat Group – Freedom Boat Club Franchisees

**General/Purpose/Scope.** This Advertising Policy (the “Policy”) sets out the terms relating to the use of the internet, social media and certain traditional media by Authorized Freedom Franchisees (“Freedom Franchisees”) relating to the utilization of Brunswick Boat Group, including any of its brands (collectively, “BBG”) products to advertise and promote their franchise club (“Franchisee Advertisement”).

In general, Freedom Franchisees must utilize BBG products in their Franchisee Advertisements in a way that complies with this Policy and their Franchise Agreements and the Brand Standards Manual, including those provisions in the Franchise Agreements related to advertising outside of their authorized Territories.

We have developed this Policy to allow Freedom Franchisees to utilize BBG products in their advertisements on the internet and via social media outlets and traditional advertising and promotions. This Policy is intended to (1) ensure that the consumer’s brand experience is of high quality and (2) protect BBG’s reputation and brand image and help ensure that BBG’s trade names, trademarks, brands, logos and commercial symbols (collectively “trade designations”) remain reliable indicators of quality products and are used in a manner that is not confusing to consumers.

This Policy applies to all advertising and promotions through traditional media (for example, television, radio and print advertising), on the internet through websites, and through social media sites, as described below.

**Domain Names.** Freedom Franchisees are expressly prohibited from purchasing or registering any domain name that incorporates BBG’s trade designations, or confusingly similar marks or names, into the domain name unless otherwise agreed in writing by BBG in its sole discretion.

**Trade Designations.** Freedom Franchisee may use BBG trade designations in connection with advertisements and promotions only in accordance with BBG’s policy on the use of such trade designations, including a notation that such trade designations are the property of BBG. Freedom Franchisee may not alter, animate, rotate or otherwise distort any BBG trade designations or other materials.

**Solicitation, Advertising and Sales.** If any Freedom Franchisee creates a Website or engages in any form of advertising or promotion on any Website or through traditional media that includes promotion, display or communication about BBG or any of its products, the following restrictions shall apply:

1. Any references to or appearance or identification of BBG or BBG products are subject to the review and approval of BBG. Upon request by BBG, Freedom Franchisee must modify or discontinue any advertisement, promotion or Website or portion of an advertisement, promotion or Website, or modify or remove any listing, advertisement or promotion from any Website, that BBG, in its reasonable judgment, deems to be inappropriate or otherwise harmful to BBG’s interest. Inappropriate content may include, but is not limited to, matter that is defamatory, disparaging, confusing, pornographic, obscene, profane, inflammatory, harassing, threatening, dangerous, discriminatory, deceptive, political, religious, unlawful or otherwise inconsistent with this Policy.
2. BBG may grant Freedom Franchisee a limited, non-exclusive, non-transferable license to use BBG-designated, copyrighted materials in Freedom Franchisee’s advertising or promotions, subject to review and approval of BBG. BBG reserves the right to limit or revoke the license at any time in its sole

discretion. BBG reserves the right to control the use of such content in any medium, as well as continued use of this content for those mediums currently existing, including without limitation, Websites.

3. Freedom Franchisees must reference any copyright notice with regard to BBG's copyrighted material that may be utilized in an advertisement or promotion. Freedom Franchisee must obtain all necessary consents, licenses and releases in regard to persons or protectable depictions that are contained in advertisements or promotions, and otherwise comply with applicable law.
4. Freedom Franchisee must be honest about its identity with regard to any advertisements, promotions and internet communications, and Freedom Franchisee may not speak on behalf of BBG.
5. Freedom Franchisee must not disclose confidential or proprietary information of or concerning BBG or its products on a Website or in any advertisement, promotion or any other communication.

**Freedom Franchisee is Responsible for its Conduct and Content.** BBG is not responsible for the content or operation of Freedom Franchisee or other Websites or for the content of any advertisement or promotion of Freedom Franchisee, and BBG will not be liable for any losses incurred by Freedom Franchisee with respect to a Website, online conduct or content made available on the internet by Freedom Franchisee. Freedom Franchisee must ensure that its Website, the content Freedom Franchisee places on any Website or in any traditional or social media outlet, and Freedom Franchisee's conduct complies with all applicable laws and regulations, including but not limited to privacy laws, federal, state and local laws, including any consumer protection laws, and advertising laws. Freedom Franchisee's content concerning BBG and its products must not be confusing or deceptive. Updates to the Freedom Franchisee's Website, or listings or other advertisements or promotions, in response to BBG's changes, deletions, and additions, should be made promptly after BBG's notification.

**Noncompliance with Policy.** Failure to comply with this Policy is a breach of the Freedom Franchise Fleet Purchase Agreement, and may subject the Freedom Franchisee to possible termination of its business relationship with BBG. Without limiting BBG's rights for breach of the Freedom Franchise Fleet Purchase Agreement, if Freedom Franchisee does not fully comply with this Policy, BBG may: (a) limit or terminate Freedom Franchisee's ability to use BBG's trade designations in connection with any advertisements or promotions, including on its Website, other Websites or otherwise on the internet; (b) disqualify Freedom Franchisee from participation in BBG incentive programs; and/or (c) terminate Freedom Franchisee's Freedom Franchise Fleet Purchase Agreement. In addition, Freedom Franchisee's failure to comply with the Policy may result in forfeiture by Freedom Franchisee of rebates, discounts and incentives earned under any other BBG Programs.

**Enforcement of Policy and Modifications to Policy.** BBG will enforce this Policy in its sole discretion. There are no third party beneficiary rights to this Policy. BBG has the right, but not the obligation, to occasionally monitor, review or audit Freedom Franchisees' Websites, Freedom Franchisee's postings, actions, etc. on other Websites, and its other advertisements, promotions and communications that concern BBG or its products. Any failure by BBG to require compliance with any provision of this Policy for any Freedom Franchisee will not operate as a waiver to request strict compliance in the future, and will not result in any liability to any other Freedom Franchisee. BBG reserves the right to modify this Policy from time to time in its sole discretion and will provide notice to Freedom Franchisees of any such modifications in writing. If any provision of this Policy is invalid or unenforceable in a jurisdiction, it is to be modified or severed in that jurisdiction to the extent of such invalidity or unenforceability and that fact does not affect the validity or enforceability of that provision in another jurisdiction or this Policy's remaining provisions.

**Effective Date.** This Policy will be effective as of October 1, 2025.



**EXHIBIT D**

**BBG Application and Information Request**  
(see attached)

SAMPLE



**EXHIBIT H-13**

**FREEDOM BOAT CLUB FRANCHISE**

**FREEDOM BOAT CLUB PROGRAM**





## FREEDOM BOAT CLUB PROGRAM

### PURPOSE

To offer Freedom Boat Clubs program options with benefits to add value to their club. The 2026 program offers three different options to efficiently maintain boat club fleets and reduce cost of total ownership.

### ELIGIBLE CUSTOMERS

All US Freedom Boat Clubs

### PROGRAM DATES & ELIGIBLE PRODUCTS

The Freedom Boat Club Program offered by Mercury is effective May 25, 2025 through May 30, 2026 and includes all Mercury Marine Outboard, Avator and MerCruiser engines used as part of a Freedom Boat Club fleet.

### BENEFITS

Freedom Boat Clubs will receive a variety of benefits based on the contract option chosen as part of the New Boat Club Dealer process.

|                                                                       | Preferred Customer                                                         | Mercury Boat Club Dealer, Maintenance                       | Mercury Boat Club Dealer, Full Service                      |
|-----------------------------------------------------------------------|----------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|
| Mercury Dealer                                                        | Non-Contracted                                                             | Yes – Limited Access                                        | Yes – Full Access                                           |
| Factory Limited Warranty on Engines                                   | Yes<br>3 Years                                                             | Yes<br>3 Years                                              | Yes<br>3 Years                                              |
| Service performed                                                     | Seasonal Maintenance                                                       | Seasonal Maintenance & Minor repair                         | Maintenance, Repair & Warranty                              |
| Warranty Service Work                                                 | Through Deferred Dealer                                                    | Through Deferred Dealer                                     | Yes                                                         |
| P&A Direct Order                                                      | Yes – Direct Debit Only                                                    | Yes – Mercury Direct                                        | Yes – Mercury Direct                                        |
| Engine Direct Order                                                   | Through Mercury Authorized Dealer                                          | Yes – Mercury Direct                                        | Yes – Mercury Direct                                        |
| Engine Terms: Open Account<br>Engine Terms: Approved Floor Plan       | NA                                                                         | 2% 15 Net 30<br>2% 15 Net 120                               | 2% 15 Net 30<br>2% 15 Net 120                               |
| Service Support                                                       | No                                                                         | Yes – Mercury Parts & Maintenance                           | Yes – Mercury Full Access Including Warranty                |
| Training Level                                                        | No Access                                                                  | E-skills completion                                         | Certified Technician                                        |
| Engine Registrations                                                  | Direct to Mercury                                                          | Direct to Mercury                                           | Direct to Mercury                                           |
| Boat Package Reporting                                                | Direct to Mercury                                                          | Direct to Mercury                                           | Direct to Mercury                                           |
| MercNET - Online System for Ordering, Warranty Claims & Registrations | Limited Access: P&A Ordering, Registration and Boat Package Reporting Only | \$300<br>Paid by Mercury year one for new Boat Club dealers | \$900<br>Paid by Mercury year one for new Boat Club dealers |
| Boat Club Engine Rebate                                               | No                                                                         | Yes                                                         | Yes                                                         |
| Boat Club Co-Op Program                                               | No                                                                         | Yes                                                         | Yes                                                         |
| New Dealer Rebate                                                     | No                                                                         | Yes                                                         | Yes                                                         |



## FREEDOM BOAT CLUB PROGRAM

2026 Program Year

### BENEFITS - BOAT CLUB REBATE (Engine Registration)

Engine Registration is done through the Mercury MercNET system. █% of Dealer Base cost is paid back directly to the Franchisee that is a Mercury Contracted Boat Club (Level 2 or 3) on registration of any Mercury engines. Registrations must be entered with a valid 12-digit hull ID within 30 days of sale/delivery/usage date.

Engines purchased from a Mercury dealer by the Freedom Boat Club are not eligible for the █% registration rebate.

### BENEFITS - BOAT CLUB CO-OP (Boat Package Reporting)

Boat Package reporting is done through the Mercury MercNET system, and should include a valid Boat Hull ID. 1% of Dealer Base cost is accrued on co-op for the Franchisee that is a Mercury Contracted Dealer (Level 2 or 3).

Mercury Contracted Dealer Freedom Boat Clubs are to use the new collateral produced by Freedom in social media and other advertising. This includes local advertising in their local market area and features Mercury products on the boat packages.

### NEW BOAT CLUB PROGRAM QUALIFICATION – Mercury Contracted Boat Clubs Only

The following credit will be issued, based on the number of units registered for the first 12 months:

| <u>OB, MC or DSL Units</u> | <u>Credit</u> |
|----------------------------|---------------|
| 20+                        | \$ █          |
| 15-19                      | \$ █          |
| 10-14                      | \$ █          |
| 6-9                        | \$ █          |

Registrations will be reviewed monthly. Credit will be issued when the maximum level is met (20+ units) or at the conclusion of the 12-month timeframe for credit level earned, whichever comes first.

### PARTS & ACCESSORIES NEW BOAT CLUB DISCOUNT – Mercury Contracted Boat Clubs Only

|                          |                                                                                                                                                                                                                                                      |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Timeframe</b>         | 30 days from new dealer number established. Qualifying orders must be placed during this 30-day timeframe.                                                                                                                                           |
| <b>Process</b>           | New boat clubs will have 30 days to enter a one-time stocking P&A order on MercNET with the below dollar levels. The dollar levels must be met on a single order for the discounts to be effective. Orders cannot be combined.                       |
| <b>Required Purchase</b> | A minimum order of \$1,000 of parts and accessories is required within 30 days of receiving the account number. Additional parts and accessory single orders will receive the below discounts if the order dollar limit is met on that single order: |

| <u>Order Amount</u> | <u>Discount</u> |
|---------------------|-----------------|
| \$1,000 - \$4,999   | █%              |
| \$5,000 – \$9,999   | █%              |
| \$10,000 and above  | █%              |

\*Orders over \$50,000 require Mercury approval prior to the submitting order

**Payment Terms** Direct Debit or 3% 15, Net 120 days

\*NOTE: Open account payment terms are only available to pre-approved Dealers. Documentation is required to establish an open account.



## FREEDOM BOAT CLUB PROGRAM

2026 Program Year

### PROCEDURE AND REQUIREMENTS

For Freedom Boat Clubs that are contracted Dealers with Mercury.

|                                                 | Mercury Boat Club Dealer,<br>Maintenance                         | Mercury Boat Club Dealer,<br>Full Service                  |
|-------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------|
| Warranty Service Work                           | Deferred Dealer                                                  | Warranty Labor Rate \$75.00                                |
| Certified Technician                            | No                                                               | Yes - <i>Required</i>                                      |
| Electronic Parts Catalog                        | No access                                                        | \$30 online or \$45 online and offline<br>Billed quarterly |
| Service Training                                | \$375 - Access to Online training.                               | \$650 Outboard or<br>\$750 Outboard & MerCruiser           |
|                                                 | One-time fee of \$200 paid by Mercury for New Boat Club Dealers  |                                                            |
| Literature and G-3 Diagnostic                   | \$689 Outboard or \$878 Outboard &<br>MerCruiser <i>optional</i> | \$689 Outboard or<br>\$878 Outboard & MerCruiser           |
| Special Tools (including G-3<br>diagnostic kit) | (optional)                                                       | \$4,922 Outboard or<br>\$8,457 Outboard & MerCruiser       |

### WARRANTY

Engines must be warranty registered as 'Boat Club' – 'B' on MercNET.

Eligible Mercury Engines Qualify for 3 Year Factory Warranty

Engines registered as 'Boat Club' are NOT eligible for extended coverage under the Dealer's Choice Certificate Program or Mercury Product Protection.

### EXCLUSIONS

Any engine or purchase that is outside the contract or program guidelines. Any engine not used in the boat club fleet. All engines previously registered or boat package reported. Engines sold direct to Mercury Stocking dealers. Boat clubs located outside of the US. Registered units are not eligible for standard dealer programs such as Power of Choice, Power of Commitment or Dealer's Choice programs.

**EXHIBIT H-14**

**FREEDOM BOAT CLUB FRANCHISE**

**SAMPLE DEALER SALES & SERVICE AGREEMENT**



# Mercury Marine Dealer Sales and Service Agreement

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- 2. Dealer Responsibilities**
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### **Addenda**

- |                     |                                                       |
|---------------------|-------------------------------------------------------|
| <b>Addendum 1:</b>  | <b>Mercury Outboard</b>                               |
| <b>Addendum 2:</b>  | <b>MerCruiser Sterndrive/Inboard/Ski</b>              |
| <b>Addendum 3:</b>  | <b>Mercury Outboard Service ONLY</b>                  |
| <b>Addendum 4:</b>  | <b>MerCruiser Sterndrive/Inboard/Ski Service ONLY</b> |
| <b>Addendum 5:</b>  | <b>MotorGuide Service</b>                             |
| <b>Addendum 6:</b>  | <b>Inflatable Boats</b>                               |
| <b>Addendum 12:</b> | <b>Texas Dealers</b>                                  |
| <b>Addendum 14:</b> | <b>Mercury Diesel</b>                                 |
| <b>Addendum 15:</b> | <b>Mercury Diesel Service ONLY</b>                    |
| <b>Addendum 16:</b> | <b>Mercury Racing Service and Repower</b>             |
| <b>Addendum 17:</b> | <b>Authorized Internet Reseller</b>                   |
| <b>Schedule A:</b>  | <b>Authorized Internet Reseller Addendum</b>          |



**Mercury Marine Dealer Sales and Service Agreement**  
**Form MM1052**

**1. Appointment of Dealer.**

A. Mercury Marine (hereinafter “Mercury”) hereby appoints Dealer as a nonexclusive authorized dealer for the retail sale, display, and/or servicing of genuine Mercury Precision and Quicksilver service parts, oils, lubricants, and accessories (hereinafter “Parts”) and Mercury engines (hereinafter “Engines”), for all installations permitted under this Agreement, (hereinafter Parts and Engines referred to as “Products”), as further set forth in the Addenda which are attached hereto and made a part hereof.

B. Dealer shall display, promote, sell at retail, and service Engines purchased from Mercury, a Mercury-authorized original equipment manufacturer (hereinafter “OEM”) which has also authorized Dealer to purchase and sell at retail OEM’s products, or a Mercury dealer or distributor authorized to resell such Engines under current Mercury policies or programs, solely within the geographical area that is proximate to the location (hereinafter “Marketing Area”) (except where allowed by applicable Mercury Sales Programs) set forth on the signature page to this Agreement and operated by Dealer (hereinafter “Dealer Location”). Further,

- i) Dealer agrees to not change a Dealer Location nor sell from an additional location without the express prior written consent of Mercury.
- ii) Dealer agrees not to sell Product to a Customer where either: a) the Product was purchased for the purpose of resale; or b) will be sold or used primarily outside of the United States.
- iii) Dealer agrees not to purchase Product from any source where Dealer either knows or has reason to believe that the seller of such Product is not authorized by Mercury to make the sale of such Product to Dealer, or where such sale would violate Mercury’s policies or programs, as amended from time to time.
- iv) Engine sales or exchanges by Dealer to or with other authorized Mercury dealers are limited to not more than five percent (5%) of a Dealer’s annual dollar volume of current Program Year Engine purchases.
- v) Dealer is prohibited from advertising and/or selling Parts on the Internet unless authorized to do so through execution of the Authorized Internet Reseller Addendum (see Addendum 17).
- vi) Dealer agrees not to sell Engines “in the box” (see paragraph 3.A.).

C. Breach of any condition described in this Section 1 may be deemed a non-curable material breach of the Agreement and may be grounds for immediate termination, alteration, or limitation of this Agreement by Mercury.

**2. Dealer Responsibilities.** Dealer agrees to:

A. Aggressively promote, display, advertise, sell and service Engines solely within the Marketing Area and comply with Mercury’s then current Dealer Internet Policy, as

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amended or revised by Mercury from time to time in its exclusive discretion. Dealer will display at each Dealer Location a sign, graphics, and image elements with Mercury's current Product Identification. In the event Dealer sells other brands or lines of products which are competitive with the Products, Dealer agrees to provide Mercury and the Products with at least an equal representation that Dealer provides to other brands or lines of products.

B. Purchase and carry on hand at all times a representative line of current Products and a sufficient inventory of current Products to meet the reasonable demands of Customers located in the Marketing Area.

C. Maintain at the Dealer Location a service department which Dealer shall have staffed, trained, and equipped (in accordance with Mercury's Dealer Service Development Plan requirements) to promptly, courteously, competently, and professionally service Products; and to maintain at each Dealer Location an adequate supply of Parts to timely and properly service Products. Dealer shall provide prompt, courteous, competent, and professional service during times and at retail service labor rates which are comparable to and competitive with the general Marketing Area in which Dealer does business.

D. Perform any and all necessary or required Product set-up, rigging, installation and inspection services prior to Product delivery to the Customer and perform post-sale service of all Products brought to Dealer for service, regardless of whether such Products were purchased from Dealer. Dealer agrees to protect Product inventory and packaging against weathering and damage, and to maintain such inventory in like new condition. Dealer agrees it will not alter or disguise any Product identification, including, but not limited to trademarks, decals, or serial numbers.

E. Maintain for not less than 5 years complete Product sales, PDI forms, service and warranty, and Mercury Product Protection (service contract) claim records; make such records available at the Dealer Location to Mercury upon request; and report to Mercury the names and addresses of purchasers of the Products by registering Product via MercNET®.

F. Achieve sales and service performance in accordance with fair and reasonable standards established by Mercury under Section 14 hereof, and conduct its business in a manner that preserves and enhances the reputation of both Mercury and Dealer for providing quality products and services at competitive prices.

G. Provide Mercury complete and accurate Balance Sheet and Profit & Loss financial statements for the Dealer Entity and/or the Dealer's principal(s) or guarantor(s) within 90 days after Dealer's fiscal year end. This request for financial information is required by Mercury for all new dealers and for existing Dealers requesting a continuation of a credit line, or an increased line. Consent to full and open disclosure of financial information for legitimate business purposes.

H. Maintain the financial capability to purchase Product via floor planning and/or self-financing in an amount necessary to meet Dealer's obligations under this Agreement, and pay all Mercury invoices timely and within the program, invoice, and credit terms which may be granted to Dealer from time to time by Mercury.

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I. Maintain a sales and service staff knowledgeable about the Products, all of whom have attended within the last 2 years a formal program approved by Mercury on current sales and service techniques applicable to the Products.

J. Maintain as confidential all business information and all materials containing business information provided by Mercury to Dealer, including but not limited to information or materials related to customers, vendors, price lists, wholesale prices, programs, rebates, discounts, inventions, concepts, designs, structures, formulas, processes, financial information, employees, strategic plans, acquisition plans or other business affairs of Mercury. Dealer, on behalf of its directors, officers, employees and agents (collectively "Representatives") to whom such information and materials are disclosed, agrees that it shall keep such information and materials confidential both during and after the term of this Agreement. Dealer shall be responsible for any breach of the terms of this Agreement by its Representatives. It is further understood and agreed by Dealer that money damages would not be a sufficient remedy for any breach of this provision by Dealer or its Representatives and that Mercury shall be entitled to equitable relief, including injunction and specific performance, without the necessity of posting bond or proving actual damages, as a remedy for any such breach. Such remedies shall not be deemed to be the exclusive remedies for such a breach by Dealer or its Representatives but shall be in addition to all other remedies available at law or equity to Mercury.

K. Comply with all applicable governmental laws, regulations, tax obligations, and orders in performing Dealer's obligations under this Agreement and in the operation of Dealer's business.

L. Submit only complete and accurate notices, reports, claims, reimbursement requests, payment requests or other communications to Mercury.

M. Comply with the other provisions of this Agreement and all other requirements that Mercury may reasonably impose from time to time on a uniform basis applicable to other Product dealers located in the state where the Marketing Area is located.

**3. Customer Satisfaction.**

A. Dealer agrees that for each Product sale, it will (1) provide competent pre-delivery set-up, rigging, installation, inspection, and instruction regarding the proper operation and maintenance of the Product, (2) obtain a signed PDI (Pre-Delivery Inspection) form as requested by Mercury from the Customer and maintain a copy on file as proof of delivery, and (3) not sell or ship Engines "in the box" directly or indirectly to a Customer (all the foregoing hereinafter the "Customer Satisfaction Requirements"), unless Dealer receives Mercury's written consent to do otherwise.

B. If Dealer fails to comply with any of the Customer Satisfaction Requirements without Mercury's written consent, Mercury may provide a written notice of non-compliance to Dealer reminding Dealer that all Customer Satisfaction Requirements must be strictly complied with by Dealer (the "First Non-Compliance Notice").

C. If, at any time after Mercury gives the First Non-Compliance Notice, Dealer again fails to comply with any of the Customer Satisfaction Requirements without Mercury's written consent, Mercury may provide a written notice of non-compliance to Dealer (the

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“Second Non-Compliance Notice”), and upon the giving of such Second Non-Compliance Notice, (1) Dealer will be deemed to not qualify (and to never have qualified) for all incentive rebates and co-op programs of Mercury applicable to the Product Program Year in which such repeated non-compliance occurs (such Product Program Year to be determined by Mercury), and (2) Dealer shall have no accrued or other entitlement whatever to any incentive rebates or co-op payments for that Product Program Year.

D. If, at any time after Mercury gives the Second Non-Compliance Notice, Dealer again fails to comply with any of the Customer Satisfaction Requirements without Mercury’s written consent, such non-compliance may, at Mercury’s option, be deemed to be a non-curable material breach of this Agreement and grounds for immediate termination of this Agreement by Mercury.

E. For greater certainty, notices of non-compliance shall be cumulative; if this Agreement is renewed or extended, or a new agreement is entered into, between the parties (one or more times), any notice of non-compliance given by Mercury under this Agreement or under a prior agreement shall be deemed to be given also under such renewed, extended or new agreement(s).

4. **Orders.** All Product orders placed by Dealer are contingent upon Mercury’s acceptance. Dealer agrees to submit orders to Mercury on the forms and in a manner and format prescribed by Mercury. Dealer’s cancellation of an order shall be subject to Mercury’s then-current Product cancellation policy.

5. **Sale Terms, Prices and Payment.**

A. Each Product order shall incorporate and shall be governed by Mercury’s then current terms and conditions of sale as set forth in its programs or on its invoice, and any order which does not comply with Mercury’s terms and conditions need not be filled by Mercury. Any additional or different terms or conditions of sale submitted by Dealer are hereby rejected and will be void and of no effect. Acceptance and retention by Dealer of Product delivered constitutes acceptance of Mercury’s terms and conditions of sale.

B. Products sold to Dealer by Mercury will be sold on the basis of prices established by Mercury from time to time. Mercury will have the right at any time to revise Product price lists, applicable discounts and rebates, or programs. Mercury shall have no obligation to reimburse Dealer for any loss which Dealer may sustain by reason of any change in price, program, discount, or rebate.

C. All Product sales to Dealer shall be paid for in advance by Dealer, unless otherwise agreed between Mercury and Dealer pursuant to granting a line of credit. Dealer agrees to pay for Product as ordered and shipped in accordance with such credit arrangements. Dealer agrees to pay Mercury a service charge as may be permitted by State Law, or a maximum of 2% per month on any past due invoice or amounts due and owing to Mercury as of the 25<sup>th</sup> day of the calendar month. Mercury may refuse Product shipment for any credit reason, including Dealer’s failure to pay for a prior shipment. Dealer will reimburse Mercury for all reasonable costs (including reasonable attorney’s fees and court costs) incurred to collect past due amounts, or to repossess Product from Dealer and resell the same. Mercury may charge Dealer a reasonable fee, to the extent permitted by applicable law, for any Dealer

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check that is dishonored for insufficient funds. Mercury may adjust, charge-back, or offset any rebates, discounts, or monies owed to Dealer against amounts owed by Dealer to Mercury, including amounts owed as a result of discounts, rebates, or benefits given to, but not earned by, Dealer.

D. Until such Products are paid for in full in cash, Dealer hereby grants to, and Mercury shall retain, a security interest in and lien on all Products sold to Dealer and all proceeds arising out of the sale of Products by Dealer and all discounts, rebates and other funds on Dealer's account payable by Mercury. Upon Mercury's request, a Dealer shall execute such documents that may be necessary or reasonable to perfect Mercury's security interest.

E. Dealer shall cause to be paid or shall make reimbursement to Mercury, or Mercury may charge-back or set-off against Dealer's account, in full, any and all taxes, duties, or other charges imposed by federal, state, municipal or other governmental authorities as a result of or upon any purchase or sale made under this Agreement.

6. **Shipments.** All Product shipments will be made F.O.B. that factory or distribution center designated by Mercury, at which time title shall pass. Unless otherwise agreed to by Mercury, in writing, Dealer shall pay all applicable shipping, insurance, transportation, delivery and handling charges for ordered Products. If Dealer fails to accept delivery of any ordered Products, Dealer shall reimburse Mercury for any costs incurred in returning such Products to Mercury. If Mercury ships Products not ordered by Dealer, Dealer will have the right to refuse delivery, in which event Mercury will pay all reasonable shipping, insurance and transportation costs incurred in returning such Products to Mercury. Shipments will be subject to Mercury's production schedule and availability of transportation. No liability will be sustained by Mercury by reason of its not accepting an order, or by reason of its not filling any order due to circumstances beyond its reasonable control, such as, but not limited to, labor disputes, natural disasters, accidents to machinery, acts of God, acts of or threatened acts of war, material shortages or regulations.

7. **Risk of Loss.** If Products ordered by Dealer are transported in Mercury's trucks, risk of loss shall pass to Dealer upon delivery to Dealer. If Products are shipped by common carrier, risk of loss shall pass to Dealer at the time the Products are delivered to such carrier.

8. **Claims.** All claims for shortage or damages or unacceptable Product shall be made at the time of arrival of the shipment. The failure of Dealer to give such notification shall constitute a waiver of any such claim. Mercury will assist Dealer in the processing and collection of any claims against the common carrier.

9. **Product Modification.**

A. Mercury shall have the right to modify the design, specifications, and components of Engines or discontinue any Engine at any time, provided, however, that Mercury shall notify Dealer, prior to shipment, of any major design changes with respect to Engines previously ordered by Dealer, in which event Dealer shall have the right to terminate such order within 5 days after notification by providing written notice to Mercury. The failure to provide such timely written notification shall be deemed an acceptance by Dealer of such changes.

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B. Dealer understands that Mercury does not provide a warranty or Product Protection coverage for modified or altered Product, particularly performance enhancement modifications. Consequently, Dealer agrees it will notify Mercury in writing any time Dealer modifies or alters a Product in any manner. In addition, when seeking authorization to perform warranty or Product Protection work, Dealer shall notify Mercury in writing if it appears that the Product on which the warranty or Product Protection work is being performed has been modified, altered, or otherwise differs from the stock Product in any way.

**10. Product Warranty and Product Protection.**

A. Mercury agrees to promptly approve and honor all legitimate Product warranty and Product Protection claims when made by purchaser through Dealer in the manner prescribed by Mercury. Mercury shall respond to all proper and legitimate warranty and Product Protection claims submitted by Dealer within 30 days of the receipt of all required documentation. Mercury agrees to pay or credit to Dealer all accepted and undisputed claims within 60 days after receipt of all required documentation.

B. Dealer agrees to:

- i) Sell Products only on the basis of Mercury's published applicable limited warranty and make no other warranty or representation concerning the limited warranty, express or implied, either verbally or in writing. Dealer may make truthful representations regarding Mercury's Product Protection coverage, but must make it clear that such benefits only accrue in the event the Consumer elects to purchase such coverage.
- ii) Display at each Dealer Location that Product warranty and Product Protection information required by applicable law, furnish and make known to the first-use purchaser at the time of Product purchase and delivery the appropriate operation and maintenance manual provided by Mercury, the Product installation instructions, if any, together with Mercury's applicable written limited warranty, including all disclaimers and limitations thereto.
- iii) Expressly inform the Customer that no Mercury warranty or Product Protection coverage applies if the Product is modified or altered in any manner, unless Mercury authorizes in writing such modification, alteration, or coverage.
- iv) Register the Product on MercNET® (including accurate indication of commercial or pleasure use) immediately upon delivery of Products to the Customer and assist Mercury in performing Product defect and recall campaigns. In the event Dealer fails to register, or incorrectly registers, the Product with MercNET®, Dealer agrees to indemnify and hold harmless Mercury against any liability, loss, or damage which Mercury may sustain as a result of such failure. An invalid or fraudulent Product registration may be considered a violation of this Agreement which could result in penalties including termination.
- v) Provide competent and timely warranty and Product Protection service on all Products presented to Dealer by any purchaser in accordance with Mercury's then current warranty and Product Protection service programs applicable to

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Dealer, regardless of whether the Product was purchased from Dealer or from another retailer. Dealer agrees to make all claims for reimbursement in accordance with Mercury's then applicable warranty and Product Protection service programs in the manner prescribed by Mercury. Mercury may revise its warranty and Product Protection service programs from time to time, providing Dealer with written notification of all revisions and such revisions will supersede all previous programs. Dealer may not subcontract warranty or Product Protection work without prior written approval from Mercury. The labor rate for warranty and Product Protection work shall be comparable to and competitive with the general market in which Dealer does business, and in no event exceed the rate consistent with any announced program.

vi) Install and repair Products only in accordance with Mercury's written procedures and recommend the use of Parts, unless otherwise recommended by Mercury. The provisions of Mercury's then current warranty and Product Protection coverage will not apply to parts of another manufacturer; if such parts are used, their usage must be disclosed to the consumer on the service work order or sales receipt. Dealer will also inform the consumer that the Mercury limited warranty and Product Protection coverage does not apply to these parts.

vii) Install any Parts required to fulfill the conditions of the warranty or Product Protection coverage without charge to the customer as outlined in Mercury's then current warranty or Product Protection service program.

11. **Technical Training.** Mercury will make technical training available for Dealer's service personnel with respect to the servicing of Products. Dealer shall maintain at each Dealer Location:

A. Mercury Certified technician(s) in its employ or technicians who are actively enrolled in an instructor-led course towards Certification from a Mercury-approved technical training program. Dealer must have an appropriate number of technicians to support the timely service of all Mercury products.

B. Mercury-recommended equipment and tools necessary to render competent, timely, and adequate Product service. Such tools and equipment should be replaced when worn and updated regularly to account for advances in engine technology and changes to the Products.

C. Current Product, Parts, Service Manuals, Service Bulletins and other service information.

12. **Intellectual Property, Trademarks, and Service Marks.**

A. Dealer acknowledges that Mercury or its subsidiaries or affiliated companies are the exclusive owners of various trademarks, service marks, trade designations and trade dress (collectively "Identification") which Mercury uses in connection with Products and its business. Dealer is authorized to use Identification in a manner acceptable to Mercury at the Dealer Location, advertisements in all media, Dealer website and social media sites in connection with the promotion and sale of Products (where authorized, see Addendum 17) and

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only until the expiration or termination of this Agreement. Dealer may not use Identification as the whole or any part of the name or title of Dealer's business, additional business affiliated with Dealer, in any Uniform Resource Locator (URL), social media name designation, and any other Internet application. Dealer acquires no proprietary rights to Identification and this authorization will terminate simultaneously with the expiration or termination of this Agreement.

B. In the event of the expiration or termination of this Agreement, Dealer will certify in writing to Mercury that Dealer has discontinued its use of any and all Identification which appear in or on any devices or other material used in conjunction with Dealer's business; including, but not limited to, advertising and signage. If Dealer fails to discontinue all such use, including failure to remove all aforementioned signage, Dealer agrees to indemnify Mercury for all of its costs related to enforcing this provision, including all attorney's fees and related costs of litigation. If Dealer fails to discontinue its use of Identification, then Mercury shall have no obligation to (i) repurchase or credit the Dealer for Product; or (ii) pay Dealer rebate amounts owed to Dealer at the time of expiration or termination. In addition, Mercury shall be entitled to liquidated damages of One Hundred Dollars (\$100) for each day following the expiration or termination of this Agreement that Dealer fails to discontinue use of Identification.

C. Over the term of this Agreement, Mercury will provide Dealer with access to various publications, software, and other materials and resources which are protected by copyright. Dealer agrees that such items are and will remain the property of Mercury. Dealer further agrees that it will not sell, give away, misuse, decompile, re-produce (either digitally or on a physical medium), copy, re-publish, or re-distribute such items without the prior written consent of Mercury.

**13. Data Privacy.**

A. Compliance with Laws. Mercury and Dealer undertake, in the context of this Agreement, to comply with their respective obligations under any and all applicable data protection laws and regulations (the "Data Protection Laws"). For the purposes of fulfilling the terms of this Agreement, Mercury may collect and/or receive from Dealer personal data about Dealer's officers and directors as well as personal data about Mercury's customers. Dealer hereby authorizes Mercury to store, use and process all personal data collected in fulfilling the terms of this Agreement anywhere Mercury does business. Such personal data may include names, phone numbers, and e-mail/postal addresses of Dealer officers, directors, employees, contractors, customers and consumers ("**Personal Data**"). As a global company, Mercury may transfer Personal Data to other entities and to third-party processors and assignees acting on Mercury's behalf and under Mercury's instructions, for uses consistent with this Agreement. Dealer acknowledges that it shall inform and obtain proper consent from (1) its officers, directors, and employees, and from (2) its contractors, customers and consumers and their officers, directors, employees, in accordance with applicable Data Protection Laws, with respect to the disclosure to – and further processing by – Mercury of their Personal Data for the above-mentioned purposes, before providing any Personal Data to Mercury. Dealer expressly certifies its understanding of the obligations and restrictions applicable to Dealer as a service provider under the California Consumer Privacy Act of 2018.



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B. **Data Security.** Dealer represents and warrants that it has implemented and maintains technical, physical and organizational measures, internal controls, and information security routines designed to provide an appropriate level of security and to prevent accidental, unauthorized, or unlawful access, destruction, disclosure, alteration, or loss of the Personal Data. In the event that Dealer becomes aware of a data breach that impacts any Personal Data it receives from Mercury, Dealer shall promptly notify Mercury not more than forty-eight (48) hours after it becomes aware of the data breach.

C. **Handling of Personal Data.** Throughout the term of this Agreement, Dealer may receive from Mercury, and Dealer may provide to Mercury, Personal Data regarding Mercury's customers. As to such Personal Data, Dealer agrees that:

i) **Personal Data received from Mercury.** Mercury discloses Personal Data to Dealer solely for a valid business purpose and for Dealer to fulfill the terms of this Agreement. Dealer shall retain, use, and disclose the Personal Data received from Mercury solely for the business purposes outlined in this Agreement. Under no circumstances will Dealer sell any Personal Data that it receives from Mercury. Dealer will cooperate with Mercury as required to provide information necessary to respond to any requests or inquiries from any individuals and/or from any supervisory authority that concern the Personal Data provided by Mercury to Dealer. Dealer shall maintain written records sufficient to comply with requests or inquiries from any individuals and/or from any supervisory authority as required by Applicable Data Protection Laws. Dealer will comply with Mercury's written requests to delete some or all of the Personal Data Dealer receives from Mercury.

ii) **Personal Data obtained from Dealer.** Upon written request by Mercury, Dealer agrees to furnish Mercury with information regarding the Personal Data of customers as necessary for Mercury to comply with its obligations under applicable Data Protection Laws. Dealer will promptly notify Mercury if Dealer receives a request from a Customer of a Mercury Product to exercise any of their rights under any applicable Data Protection Laws. Dealer shall not respond to such request except upon the documented instructions of Mercury or as required by applicable law. Dealer agrees to delete Personal Data about individual customers upon the written instruction of Mercury.

14. **Performance Standards.** Mercury may establish fair and reasonable minimum standards of sales and service performance for Dealer. Such standards will be based on factors such as population, sales potential, economic conditions in the Marketing Area, competition from other marine dealerships in the Marketing Area, and any special circumstances that may affect the sale or service of Products by Dealer. Mercury may from time to time revise such standards as conditions may require.

15. **No Agency Created.** It is understood and agreed that Dealer is not, nor shall it at any time represent itself to be, the agent, employee, representative or franchisee of Mercury. Dealer shall not enter into any contract or commitment in the name of or on behalf of Mercury.

A. Dealer hereby assumes sole responsibility for workmanship in any Product

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installation made by or under the direction of the Dealer and for maintenance or repairs of material sold or delivered to Dealer under this Agreement. Dealer shall indemnify and hold harmless Mercury against any damage, loss or expense of whatever nature sustained by Mercury as a result of the acts or omissions of Dealer or Dealer's agents or employees.

**16. Term of Agreement - Expiration and Termination.**

A. Unless otherwise expressly stated herein, the term of this Agreement shall be as stated on the signature page to this Agreement, subject however to the provisions set forth below which allow for an earlier termination. Upon expiration of this Agreement, and absent the execution of a replacement agreement, Mercury shall be under no obligation to continue to accept orders from Dealer. In no event shall Mercury's acceptance of any order or series of orders after the expiration of this Agreement be considered a waiver of Mercury's right to, at any time, cease accepting orders from Dealer.

B. Except for obligations that may be created by applicable law, neither party is under any obligation, express or implied, to renew or extend this Agreement upon expiration, or to enter into a new agreement.

C. This Agreement may be terminated at any time by a party where good cause exists, provided at least 45 days written notice has been given and there has not been complete cure (if curable) of the claimed deficiencies within such 45-day notice period. Good cause is defined as the other party to this Agreement breaching, defaulting, or failing to comply with any material Agreement covenant, term, condition, representation, warranty, or obligation that is applicable to such other party. Where good cause exists, and which also constitutes bad faith, such good cause shall be deemed to be incurable or not subject to cure, and termination may occur in accordance with subparagraph G, below.

D. This Agreement may be terminated at any time upon the mutual consent of the parties.

E. This Agreement may be terminated immediately by a party upon written notice provided to the other party if any of the following occur with regard to the other party: (1) the other party becomes insolvent or takes or fails to take any action which constitutes an admission of inability to pay debts as they mature; (2) the other party make a general assignment for the benefit of creditors to an agent authorized to liquidate any substantial amount of assets; (3) the other party becomes a subject of an "order for relief" within the meaning of the United States Bankruptcy Code; (4) an application is submitted to a court for the appointment of a receiver for any assets or properties of the other party; or (5) the other party makes a fraudulent representation that is material to this Agreement, or fails to make known information that, if known, would be material to this Agreement.

F. This Agreement may be terminated immediately by Mercury (notwithstanding and in addition to the provisions of subparagraph C and other subparagraphs) upon the giving of at least 10 days prior written notice to Dealer where there are sums due and owing to Mercury that remain unpaid, in whole or part, at the end of such notice period.

G. This Agreement may be terminated immediately by Mercury upon the giving of written notice to Dealer (1) if good cause exists and is not curable, and (2) in accordance with

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the terms described in Paragraphs 1.C., 3.D., 3. E., and 16. A.

H. Within 30 days after the termination of this Agreement, Dealer shall provide to Mercury a comprehensive, detailed list of Product (including Mercury part number) and the net purchase price of each Product in Dealer's inventory, and Dealer shall offer to sell to Mercury, at Dealer's net purchase price (not including transportation, insurance, or financing costs, but less rebates or discounts previously credited to Dealer), less applicable restocking fees for Parts set forth in current Mercury Policies (herein "Repurchase Price"), Dealer's entire inventory of current, originally packaged, and new condition Product. Mercury may, at its option, accept such offer of purchase within 30 days of the receipt of such list. If Dealer terminates this Agreement under subparagraphs C or E prior to its expiration date, Mercury will offer to purchase such Products at the Repurchase Price and Mercury will also offer to repurchase at fair market value special tools, special computer hardware and software, special equipment and special signs purchased from Mercury within 2 years prior to termination. Mercury shall not be obligated to repurchase Products or any other items if this Agreement expires, if this Agreement is terminated (except by Dealer under subparagraphs C or E), or if Dealer fails to deliver such Products to Mercury in accordance with the terms hereof within 30 days after receipt of such purchase exercise. Dealer should sell such purchased Products to Mercury with good and merchantable title, free and clear of all liens and encumbrances, F.O.B. the Dealer Location, and Mercury will pay Dealer (less offsets or amounts due Mercury) within 30 days after Mercury's purchase and receipt of Products.

I. Notwithstanding any other provision of this Paragraph 16, if at any time Dealer's purchases are less than the amount set forth on the applicable Addenda attached hereto and made a part hereof pursuant to the Signature Page referencing this Agreement during a consecutive 12 month period, Mercury may terminate this Agreement for such Addenda upon the giving of at least 10 days written notice to Dealer.

J. Any obligation, requirement, or term described herein shall be modified to eliminate, modify, or include such different term as may be required by applicable law.

K. The rights and obligations of the parties set forth in Paragraph 13 of this Agreement shall survive termination of the Agreement, and shall be in effect for so long as the Dealer retains any Personal Data

**17. Assignment, Change in Ownership or Management.**

A. This appointment and Agreement is made and entered into with the distinct understanding that it is personal with the Dealer and Dealer's current principals and management. This Agreement may not be assigned, delegated, pledged, or transferred by Dealer, whether by operation of law or otherwise, without prior written consent of Mercury. Unless first approved by Mercury in writing, any purported assignment, delegation, or subcontracting of Dealer's rights and obligations under this Agreement, or any change in majority ownership of capital stock of Dealer (if a corporation), any change in majority ownership of Dealer (if a partnership, LLC, or LLP), or any change in the principal management (except as specified in subparagraph B below), may immediately render this Agreement, at Mercury's option, terminated. Any such prohibited assignment, delegation or subcontract shall, at Mercury's option, be deemed void.

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B. Mercury may not refuse to assign this Agreement to any immediate family member who has been actively involved in the Dealer's business in the instance of a deceased or incapacitated Dealer if each of the following applies: (1) the family member provides to Mercury written notice within 60 days after such person's death or incapacity of the member's intent to succeed to this Agreement, along with a completed Dealer Application; (2) the successor is qualified (a determination made at Mercury's discretion) to manage the Dealer's business and agrees to be bound by all terms and conditions of this Agreement; and (3) the family member is entitled to inherit the deceased or incapacitated Dealer Agreement pursuant to a written filing with Mercury prior to the death or incapacity.

C. This Agreement, in whole or part, is assignable, delegable and subject to subcontract by Mercury, provided that Mercury shall remain obligated to perform the covenants, obligations, representations and warranties under this Agreement. Mercury may assign this Agreement to a nonaffiliated third party who acquires the business or assets of Mercury, provided that the acquirer agrees to assume and perform the obligations of Mercury under this Agreement, in which event Mercury shall be released from any post assignment obligations and liabilities arising under this Agreement.

18. **Notices.** Any written notice given pursuant to this Agreement shall be either hand delivered or mailed, postage prepaid, by Registered or Certified Mail, return receipt requested, to the party at the respective principal place of business as listed on the Signature Page Form MM1053. Notice may also be given by fax to the number described herein if a copy is also mailed in the manner described herein. Such notice shall be deemed to be given upon first receipt. A change of address may be given by such notice. Notices provided via telephone, e-mail, or any other method are not recognized as notice for purposes of this Agreement.

19. **Entire Agreement - Non-Waiver – Separability.**

A. This Agreement, the applicable Mercury programs in effect from time to time referred to herein, and the Addenda attached hereto and made a part of this Agreement, as well as the Signature Page referencing this Agreement, together contain the entire understanding between the parties with respect to the matters set forth herein and may not be amended or modified except by written instrument duly executed by Mercury and Dealer that expressly states that the writing constitutes an amendment, rider, or modification to this Agreement, provided that Mercury may at its sole discretion and from time to time make changes to those matters where it has expressly reserved the right to make such changes under the terms of this Agreement, e.g., "then current", "then applicable", "from time to time", etc. In the event of a disagreement between the general terms of this Agreement, and a term set forth in any Addendum attached hereto, the term of the Addendum shall control. In the event of a disagreement between the general terms of this Agreement or any Addendum attached hereto and a specific term contained in any applicable Mercury program in effect from time to time, the term of the program shall control.

B. This Agreement terminates all prior agreements made between the parties, provided that each party shall remain obligated to the other for any monies owed under such prior agreements. Failure on the part of Mercury or Dealer to enforce any term of this Agreement shall not constitute a waiver thereof. Any provision of this Agreement which in any way contravenes or is unenforceable under applicable law shall not apply and shall be

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deemed separable and not to be a part of this Agreement without affecting the validity of the remaining provisions. As of the date that Dealer signed this Agreement, Dealer represents it is not aware of any breach or default by Mercury of any contract obligations, covenants, representations or warranties applicable to any prior or other relationships between Dealer and Mercury.

20. **Disputes.** In the event of a dispute between the parties arising out of or related to this Agreement, including but not limited to the breach, default or performance thereof, the parties agree that a meeting shall be promptly held at Mercury's offices within 10 days after notice being given to the other party, which meeting shall be attended by a representative of each party having decision-making authority regarding the dispute to attempt in good faith to negotiate a resolution of the dispute. If within 30 days after such meeting the parties have not succeeded in a negotiation of the dispute, the parties shall submit the dispute to an alternative dispute resolution ("ADR") provider upon whom they mutually agree for a non-binding mini trial or mediation to resolve the dispute. The parties shall pursue ADR implementation in good faith and in a timely manner. In the event the ADR process does not result in a resolution of the dispute, then either party may pursue other available rights and remedies upon the giving of at least 30 days prior written notice to the other party specifying its intended course of action. Nothing herein shall preclude Mercury from withholding Product sales or shipments where overdue amounts are owed to it or where Dealer has breached or defaulted the terms of this Agreement, regardless of whether ADR is pending. If litigation is instituted, and Dealer prevails in an amount which exceeds Dealer's most recent written demand made prior to the initiation of litigation, then Dealer shall be reimbursed its reasonable legal fees and court costs by Mercury; otherwise, Mercury shall be reimbursed its reasonable legal fees and court costs by Dealer.

21. **Retail Unilateral Price Policy (RUPP).** Dealer acknowledges that Dealer has been informed of Mercury's Retail Unilateral Price Policy as it applies to the advertisement for sale of Products from Dealers to Customers in the United States. There is no agreement, express or implied, between Mercury and Dealer with respect to the advertised or resale pricing of Products.

22. **Fax/E-mail Authorization.** From time to time Mercury will provide Dealer with information regarding sales promotions, Product availability, programs, or other matters related to Dealer's relationship with Mercury. Dealer hereby authorizes and permits Mercury to transmit and send such information via facsimile and/or via e-mail.

23. **No Consideration.** Except for a payment made to Mercury for goods purchased by Dealer for resale to the consumer, it is not a condition of this Agreement, either in its inception or continuation, that Dealer is or will be required to pay directly or indirectly to Mercury any consideration or remuneration.

24. **Miscellaneous.** Except as expressly described to the contrary in this Agreement, the rights and remedies of each party are not exclusive, and where consent or approval is to be given that party may withhold such consent or approval for any reason. Each heading in this

**Mercury Marine Dealer Sales and Service Agreement**  
**Form MM1052**

Agreement is inserted for convenience only and shall not be deemed to constitute a part of this Agreement for interpretive purposes.

SAMPLE

# ADDENDA

The following Addenda are included as part of the Mercury Marine Dealer Sales and Service Agreement (Form MM1052) only as specified and agreed to between Mercury and the Dealer and as set forth in writing on the Mercury Marine Dealer Agreement Signature Page (Form MM1053).

If the specific Addendum set forth below is referenced by name on the Mercury Marine Dealer Agreement Signature Page (Form MM1053), the terms set forth in the Addendum are binding on the Dealer and Mercury as if such terms had been set forth in the text of the Mercury Marine Dealer Sales and Service Agreement (Form MM1052). However, if the specific Addendum set forth below is not referenced by name on the Mercury Marine Dealer Agreement Signature Page (Form MM1053), it does not apply to the Agreement between the Dealer and Mercury and shall have no legal effect.

**Capitalized Terms shall have the same meaning as set forth in the  
Mercury Marine Dealer Sales and Service Agreement (Form MM1052)  
to which these Addenda are attached and made a part thereof.**

## **Addendum 1:       Mercury Outboard**

Dealers participating under the terms of this addendum are required to purchase from Mercury or any of its distributors Outboard related Parts totaling not less than \$20,000 (at dealer net invoice price) annually.

Dealer is authorized to purchase, display, promote, and sell recreational inflatable boats, propellers, Mercury Outboard Racing marine engines and related Parts, and Mercury Outboard related Parts from Mercury under the terms and conditions of the applicable Mercury programs, as amended from time to time, and from Mercury's authorized distributors.

Dealer is authorized and agrees to provide competent and timely service on Mercury Outboard Products under the terms and conditions of the applicable Outboard Product warranty, subject to requirements and stipulations in this Agreement and consistent with all applicable and current Mercury policies, as amended from time to time. To the extent permitted under the applicable Mercury programs, as amended from time to time, Dealer shall also be authorized and agrees to perform competent and timely warranty service on Mercury Outboard Racing engines or Mercury Jet Drive marine engines. If designated as a Sales Only location, Dealer must have an authorized Mercury Deferred Service contract in place to perform service.

Dealer must meet or exceed the requirements of Mercury "Service" level, as outlined in the Dealer Service Development Plan (DSDP) evaluation form available from Mercury Technical Account Managers. Dealers participating under the terms of this Addendum who fall below the service competence level of Mercury "Service," as defined in the DSDP guidelines, may be

**Mercury Marine Dealer Sales and Service Agreement**  
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notified that they are no longer eligible to participate under this addendum, in which case Mercury reserves the right to terminate or refuse to renew this Agreement.

Mercury Outboard Dealers are not authorized to purchase or perform warranty service on MerCruiser engines, drives, or parts, or MotorGuide products, unless otherwise authorized by another Addendum applicable to this Agreement.

Terms specific to a Mercury Outboard Stocking Dealer:

A Mercury Outboard Stocking Dealer, consistent with the terms and conditions of the then applicable Mercury Dealer Sales Programs, is hereby authorized to: (1) purchase, display, promote, and sell loose Mercury Outboard marine engines, provided Dealer participates in the Mercury Outboard stocking program and purchases a minimum quantity of applicable Outboard Products directly from Mercury for purposes of replacing current Mercury Outboard marine engines on existing boat applications, in accordance with the terms of said stocking program, as amended from time to time; and (2) purchase Outboard related Parts from Mercury and its authorized distributors necessary to service Mercury Outboard or Mercury Jet Drive marine engines, including warranty service.

Mercury Outboard Stocking Dealers authorized pursuant to this addendum are granted exception from the 5% ceiling, hereby amended to a 20% ceiling, on sale or exchange of engines with other authorized Mercury Dealers as set forth in paragraph 1 (B) of the Agreement. Under the provisions of paragraph 1 (B), a Stocking Dealer may promote and sell Mercury Outboard engines to other local authorized Mercury Dealers, provided (1) a full-time employee of Dealer personally and physically delivers the engine(s) to the purchasing dealer; and (2) the Dealer assumes responsibility in each case for insuring proper installation of any engine(s) sold.

In addition, a Mercury Outboard Stocking Dealer, consistent with the terms and conditions of the then applicable Mercury Dealer Sales Programs, is hereby authorized to purchase, display, promote, and sell at retail boat and engine packages containing Mercury Outboard or Mercury Jet Drive marine engines only if such engines are purchased as either (a) part of a complete boat and engine package from an authorized Mercury OEM which has also authorized Dealer to purchase and sell at retail such boat/engine packages, or (b) directly from Mercury for installation on and packaging with a blank hull purchased from an authorized Mercury OEM which has also authorized Dealer to purchase and sell at retail such boat/engine packages.

Terms specific to a Mercury Outboard Package Dealer:

A Mercury Outboard Package Dealer, consistent with the terms and conditions of the then applicable Mercury Dealer Sales Programs, is hereby authorized to: (1) purchase, display, promote, and sell at retail boat and engine packages containing Mercury Outboard or Mercury Jet Drive marine engines only if such engines are purchased as either (a) part of a complete boat and engine package from an authorized Mercury OEM which has also authorized Dealer to purchase and sell at retail such boat/engine packages, or (b) directly from Mercury for installation on and packaging with a blank hull purchased from an authorized Mercury OEM which has also authorized Dealer to purchase and sell at retail such boat/engine packages; and (2) purchase Outboard related Parts from Mercury and its authorized distributors necessary to service Mercury Outboard or Mercury Jet Drive marine engines, including warranty service.



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In order to remain a Mercury Outboard Package Dealer, Dealer must purchase boat packages annually containing not less than a total of six (6) Mercury Outboard engines as the primary engine(s).

These authorizations are contingent upon Dealer's adherence to the terms and conditions stated in the Agreement and contained in Mercury's programs, as amended from time to time. Dealer's purchases of Mercury Outboard engine packages and Outboard related Parts must also meet established Mercury program guidelines and minimum standards or this Agreement may be terminated upon ten (10) days written notice at the discretion of Mercury in accordance with paragraph 15(J) of the Agreement.

**Addendum 2:           MerCruiser Sterndrive/Inboard/Ski**

Dealer is hereby authorized to purchase, display, promote, and sell at retail: (1) boat and engine packages containing Mercury MerCruiser Sterndrive, Inboard, or Ski marine engines only if such engines and drives are purchased as part of a complete boat and engine package from an authorized and contracted Mercury OEM which has also authorized Dealer to purchase and sell at retail such boat/engine packages; and (2) recreational inflatable boats, propellers, MerCruiser engine and drive related Parts, and MerCruiser Sterndrive Racing engines and related Parts from Mercury and its authorized distributors. In order to remain a MerCruiser Sterndrive/Inboard/Ski Dealer, Dealer must purchase boat packages annually containing not less than a total of six (6) boats with MerCruiser engines/drives as the primary propulsion. In addition, Dealers participating under the terms of this Addendum are required to purchase from Mercury or any of its distributors Parts totaling not less than \$20,000 (at dealer net invoice price) annually.

Dealer is further authorized and agrees to provide competent and timely service on such Products under the terms and conditions of the applicable MerCruiser Product warranty, subject to requirements and stipulations in the Agreement and consistent with all applicable and current Mercury policies, as amended from time to time. Dealer shall also be authorized and agrees to perform competent and timely warranty service on MerCruiser Sterndrive Racing engines. If designated as a Sales Only location, Dealer must have an authorized Mercury Deferred Service contract in place to perform service.

Dealer must meet or exceed the requirements of Mercury "Service" level, as outlined in the Dealer Service Development Plan (DSDP) evaluation form available from Mercury Technical Account Managers. Dealers participating under the terms of this Addendum who fall below the service competence level of Mercury "Service," as defined in the DSDP guidelines, may be notified that they are no longer eligible to participate under this Addendum, in which case Mercury reserves the right to terminate or refuse to renew this Agreement.

MerCruiser Sterndrive/Inboard/Ski Dealers are not authorized to purchase or perform warranty service on Mercury Outboard engine products or parts, or MotorGuide products, unless otherwise authorized by another Addendum applicable to this Agreement.

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Form MM1052**

**Addendum 3:           Mercury Outboard Service ONLY**

Dealer is hereby authorized and agrees to perform Warranty service on Mercury Outboard and Mercury Jet Drive marine engines under the terms and provisions of Mercury's current and applicable warranties, policies, and guidelines, as amended from time to time. To the extent permitted under the applicable Mercury programs, as amended from time to time, Dealer shall also be authorized and agrees to perform competent and timely warranty service on Mercury Outboard Racing engines under the terms and provisions of Mercury's current and applicable warranties, policies, and guidelines, as amended from time to time. This authorization is contingent upon Dealer maintaining required technician training, tools, and an adequate stock of Outboard and Jet Drive related Parts as outlined in Mercury's service guidelines and Dealer Service Development Plan (DSDP) forms, as amended from time to time.

In addition to the above, Dealer is further authorized to purchase, display, promote, and sell, in each case only in accordance with the terms and conditions of the applicable Mercury program(s), as amended from time to time, (i) loose Mercury Outboard marine engines (engines sold individually and not as part of a boat/engine package), (ii) recreational inflatable boats, (iii) propellers, (iv) Mercury Outboard Racing marine engines and related Parts and (v) relevant Mercury Outboard related Parts.

Dealer must meet or exceed the requirements of Mercury "Certified" Service, as outlined in the Dealer Service Development Plan (DSDP) evaluation form available from Mercury Technical Account Managers. Dealers participating under the terms of this Addendum who fall below the service competence level of Mercury "Certified", as defined in the DSDP guidelines, may be notified that they are no longer eligible to participate under this addendum, in which case Mercury reserves the right to terminate or refuse to renew this Agreement.

Dealers participating under the terms of this addendum are required to purchase from Mercury or any of its distributors Parts totaling not less than \$20,000 (at dealer net invoice price) annually. Dealer agrees to use ONLY Parts in the warranty service and repair of Mercury engines.

Mercury Outboard Service ONLY Dealers are not authorized to purchase or provide warranty service on MerCruiser engines, drives, or MerCruiser related Parts, or MotorGuide products, unless otherwise authorized by another Addendum applicable to this Agreement.

**Addendum 4:           MerCruiser Sterndrive/Inboard/Ski Service ONLY**

Dealer is hereby authorized to perform Warranty service on Mercury MerCruiser Sterndrive and Inboard/Ski marine engines, as well as Mercury Jet Drive marine engines, under the terms and provisions of Mercury's current and applicable warranties, policies, and guidelines, as amended from time to time. This authorization is contingent upon Dealer maintaining required technician training, tools, and Parts as outlined in Mercury's service guidelines and Dealer Service Development Plan (DSDP) forms, as amended from time to time.

In addition, Dealer is authorized to purchase and sell at retail recreational inflatable boats, propellers, and MerCruiser engine and drive related Parts. Dealers participating under the terms of this addendum are required to purchase from Mercury or any of its distributors Parts totaling not less than \$20,000 (at dealer net invoice price) annually. Dealer agrees to use ONLY Parts in

**Mercury Marine Dealer Sales and Service Agreement**  
**Form MM1052**

the warranty service and repair of Mercury MerCruiser sterndrive and inboard engines and drives.

Dealer must meet or exceed the requirements of Mercury “Certified” Service, as outlined in the Dealer Service Development Plan (DSDP) evaluation form available from Mercury Technical Account Managers. Dealers participating under the terms of this Addendum who fall below the service competence level of Mercury “Certified”, as defined in the DSDP guidelines, may be notified that they are no longer eligible to participate under this addendum, in which case Mercury reserves the right to terminate or refuse to renew this Agreement.

MerCruiser Service ONLY Dealers are not authorized to purchase or perform warranty service on Mercury Outboard engines or Parts, or MotorGuide products, unless otherwise authorized by another Addendum applicable to this Agreement.

**Addendum 5: MotorGuide Service**

Dealer is hereby authorized and agrees to perform Warranty and other service work on MotorGuide products under the terms and provisions of MotorGuide’s current and applicable warranties, policies, and guidelines, as amended from time to time. This authorization is contingent upon Dealer maintaining required technician training, tools, and Parts as outlined in MotorGuide’s service guidelines and Service Center Development Plan (SCDP) forms, as amended from time to time.

Dealer agrees to use ONLY genuine MotorGuide parts and accessories in the warranty service and repair of MotorGuide products. MotorGuide Service Dealers are only authorized to purchase MotorGuide products, parts, and accessories, and perform service on MotorGuide products, unless otherwise authorized by another Addendum applicable to this Agreement.

**Addendum 6: Inflatable Boats**

Dealer is hereby authorized to purchase, display, promote, and sell Mercury Inflatable Boat products including Leisure RIB inflatable boats and applicable Parts under the terms of this Agreement and as contained in Mercury’s current programs, as amended from time to time. Dealer is further authorized and agrees to provide competent and timely warranty and other service work on such products under the terms and conditions of the applicable product warranty, subject to requirements and stipulations in the Agreement and consistent with all applicable and current Mercury policies, as amended from time to time. This authorization is contingent upon Dealer maintaining required technician training, tools and parts.

Dealer agrees to use ONLY genuine Mercury Inflatable Boat Parts in the warranty service and repair of Mercury Inflatable Boat products. Inflatable Boat Service Dealers are only authorized to purchase Mercury Inflatable Boat products, and Parts, and perform service on Mercury Inflatable Boat products, unless otherwise authorized by another Addendum applicable to this Agreement.

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**Addendum 12: Texas Dealers**

**PERFORMANCE STANDARDS (Minimum Marketing, Product Stocking, Display and Facility Requirements):**

Dealer and Mercury have agreed that Dealer will comply with the applicable Mercury Dealer Sales Programs, which change annually (attached as Exhibit 1), and the Mercury Dealer Service Development Plan (“DSDP” attached as Exhibit 2).

**Texas Law:** Mercury and Dealer have reviewed the Texas Boat Manufacturers, Distributors and Dealers Law (Texas Occupations Code, as amended, ch. 2352.001 et.seq.), and agree that between the provisions of the Mercury Marine Dealer Sales and Service Agreement, this Addendum 12, and the referenced and incorporated Mercury Dealer Sales Programs and the Mercury Dealer Service Development Plan (collectively referred to as “The Agreements”), that all required elements of the referenced Texas law have been addressed. To the extent that any provision of The Agreements conflicts with Texas law, such provisions shall be modified, deleted or added to bring The Agreements into compliance.

**Addendum 14: Mercury Diesel**

Dealer is hereby authorized to purchase, display, promote, and sell at retail: (1) boat and engine packages containing Mercury Diesel marine engines and drives only if such engines and drives are purchased as part of a complete boat and engine package from an authorized and contracted Mercury OEM which has also authorized Dealer to purchase and sell at retail such boat/engine packages; and (2) recreational inflatable boats, propellers, and Mercury Diesel engine and drive related Parts from Mercury and its authorized distributors. Dealer is further authorized and agrees to provide competent and timely service on such Products under the terms and conditions of the applicable Mercury Diesel Product warranty, subject to requirements and stipulations in the Agreement and consistent with all applicable and current Mercury policies, as amended from time to time. In order to remain a Mercury Diesel, Dealer must purchase boat packages annually containing not less than a total of six (6) boats with Mercury Diesel engines/drives as the primary propulsion.

Dealer must meet or exceed the requirements of Mercury “Diesel Service” level, as outlined in the Dealer Service Development Plan (DSDP) evaluation form available from Mercury Technical Account Managers. Dealers participating under the terms of this Addendum who fall below the service competence level of Mercury “Diesel Service,” as defined in the DSDP guidelines, may be notified that they are no longer eligible to participate under this addendum, in which case Mercury reserves the right to terminate or refuse to renew this Agreement.

In addition, Dealers participating under the terms of this addendum are required to purchase from Mercury or any of its authorized distributors Parts totaling not less than \$20,000 (at dealer net invoice price) annually. Dealer agrees to use ONLY Parts in the warranty service and repair of Mercury Diesel engines and drives. Mercury Diesel Dealers are not authorized to purchase or perform warranty service on Mercury Outboard engine Products or Parts, MerCruiser Sterndrive/Inboard/Ski (including Jet Drives) or MotorGuide products, unless otherwise authorized by this Agreement.

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**Addendum 15:       Mercury Diesel Service ONLY**

Dealer is hereby authorized to perform Warranty service on Mercury Diesel engines under the terms and provisions of Mercury's current and applicable warranties, policies, and guidelines, as amended from time to time. This authorization is contingent upon Dealer maintaining required technician training, tools, and Parts as outlined in Mercury's service guidelines and Dealer Service Development Plan (DSDP) forms, as amended from time to time.

Dealer must meet or exceed the requirements of Mercury "Diesel" Service as outlined in the Dealer Service Development Plan (DSDP) evaluation form available from Mercury Technical Account Managers. Dealers participating under the terms of this Addendum who fall below the service competence level of Mercury "Diesel" Service, as defined in the DSDP guidelines, may be notified that they are no longer eligible to participate under this addendum, in which case Mercury reserves the right to terminate or refuse to renew this Agreement.

In addition, Dealer is authorized to purchase and sell at retail Mercury Diesel engine and drive related Parts. Dealers participating under the terms of this addendum are required to purchase from Mercury or any of its authorized distributors Parts totaling not less than \$20,000 (at dealer net invoice price) annually. Dealer agrees to use ONLY Parts in the warranty service and repair of Mercury Diesel engines and drives.

Mercury Diesel Service ONLY Dealers are not authorized to purchase or perform warranty service on Mercury Outboard engines or Parts, MerCruiser engines or Parts, or MotorGuide products, unless otherwise authorized by this Agreement.

**Addendum 16:       Mercury Racing Service and Repower**

Dealer is hereby authorized to perform Warranty service on Mercury Racing engines (outboard and sterndrive) under the terms and provisions of Mercury's current and applicable warranties, policies, and guidelines, as amended from time to time. This authorization is contingent upon Dealer maintaining required technician training, tools, and Parts as outlined in Mercury's service guidelines and Dealer Service Development Plan (DSDP) forms, as amended from time to time.

Dealer must meet or exceed the requirements of Mercury "Racing" Service as outlined in the Dealer Service Development Plan (DSDP) evaluation form available from Mercury Technical Account Managers and Mercury Racing technical training. Dealers participating under the terms of this Addendum who fall below the service competence level of Mercury "Racing" Service, as defined in the DSDP guidelines, may be notified that they are no longer eligible to participate under this addendum, in which case Mercury reserves the right to terminate or refuse to renew this Agreement.

In addition, Dealer is authorized to purchase and sell at retail Mercury Racing engines, drives, and related Parts and Accessories. Dealers participating under the terms of this addendum are required to purchase from Mercury or any of its authorized distributors Mercury Racing Parts and Accessories totaling not less than \$25,000 (at dealer net invoice price) annually. Dealer agrees to use ONLY Mercury and Mercury Racing Parts in the warranty service and repair of Mercury Racing engines and drives.

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Mercury Racing Service and Repower ONLY Dealers are not authorized to purchase or perform warranty service on Mercury non-racing outboard engines, non-racing sterndrives, non-racing propellers, Inflatables, Jet-drive engines, or MotorGuide products, unless otherwise authorized by this Agreement.

**Addendum 17:        Authorized Internet Reseller**

1. **Internet Appointment.** Mercury hereby grants to the Dealer and the Dealer accepts the non-exclusive right to fulfill orders and to market, sell, and distribute Parts to Customers located in the United States on the Internet solely on the URL locations and/or on Internet marketplaces under certain seller names attached hereto as Schedule A and approved by Mercury.
2. **Customer Service.**
  - a. Dealer must have a physical street address and a landline telephone number for contact by its customers and must advise customers on its website of this physical address and the landline telephone number. Post office boxes and mobile telephone numbers are not sufficient.
  - b. Dealer must provide the capability for customers to place their orders fully and completely through Dealer's website. Dealer shall not require customers to use telephone calls, faxes and/or hard-copy correspondence to complete their orders nor permit orders to be fulfilled only through telephone calls, faxes and/or hard copy correspondence.
  - c. Dealer's website must be a secure site for customer transactions.
  - d. Dealer must have a mechanism in place for confirming to the ordering customer each order placed through its website and when each order was shipped to the destination designated by the ordering customer.
  - e. Dealer must display its policies and procedures for customer returns, refunds and exchanges on its website. Dealer's website must clearly and conspicuously set forth that: (a) Dealer, and not Mercury, is making the sale to the customer and (b) the terms and conditions directly and indirectly applying to returns, refunds and exchanges by customers are those of Dealer, and not Mercury. Dealer must provide its own facilities and personnel to address and resolve all Product exchange, refund or return requirements.
  - f. Dealer shall adhere to and comply with all pertinent State and Federal regulations, statutes and rules specifically including all applicable sales tax to taking orders or conducting business via the Internet.
  - g. The Dealer's website must provide customers with access to the Mercury Limited Warranty statement.
3. **Breach.** Any violations of the terms of this Addendum shall be deemed a material breach of the Agreement, entitling Mercury to terminate either one or both of the Addendum and the Agreement immediately.

**Mercury Marine Dealer Sales and Service Agreement**  
**Form MM1052**

4. **Termination.** Mercury may terminate this Addendum for a breach pursuant to Section 3 of this Addendum. Further either party may terminate this Addendum upon thirty (30) days written notice.
5. **Amendments.** Mercury may amend the Schedule to this Addendum by providing notice to Dealer, and any such amendment shall become effective immediately upon delivery of such notice.

SAMPLE

**Mercury Marine Dealer Sales and Service Agreement  
Form MM1052**

Schedule A to Authorized Internet Reseller Addendum

Internet Dealer Profile

| Brand       | Approved for            | URLs                               | Marketplace and ID                         |
|-------------|-------------------------|------------------------------------|--------------------------------------------|
| Mercury     | «ACCOUNT_RESELLER_TYPE» | «ACCOUNT_APPROVED_MERCURY_URLS»    | «ACCOUNT_APPROVED_MERCURY_MARKETPLACES»    |
| Quicksilver | «ACCOUNT_RESELLER_TYPE» | «ACCOUNT_APPROVED_QUICKSILVER_URL» | «ACCOUNT_APPROVED_QUICKSILVER_MARKETPLACE» |

SAMPLE



## **EXHIBIT I**

### **STATE EFFECTIVE DATES**



### **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   | Pending               |
| Hawaii       | Pending               |
| Illinois     | Pending               |
| Indiana      | Pending               |
| Maryland     | Pending               |
| Michigan     | Pending               |
| Minnesota    | Pending               |
| New York     | Pending               |
| North Dakota | Pending               |
| Rhode Island | Pending               |
| Virginia     | Pending               |
| Washington   | Pending               |
| Wisconsin    | Pending               |

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 J**

**RECEIPT**



**RECEIPT**  
**(Retain This Copy)**

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 Freedom Franchise Systems, LLC offers you a franchise, it 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.

Under Iowa law, if applicable, Freedom Franchise Systems, LLC must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires Freedom Franchise Systems, LLC to give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this disclosure document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Freedom Franchise Systems, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency identified on Exhibit A.

| The name, principal business address, and telephone number of each franchise seller offering the franchise is: |
|----------------------------------------------------------------------------------------------------------------|
| Cecil Cohn, 10975 Hughey Kimal Drive, Venice, FL 34292, 941-451-8756                                           |
| Scott Ward, 10975 Hughey Kimal Drive, Venice, FL 34292, 941-451-8756                                           |
| Jim Blaze, 10975 Hughey Kimal Drive, Venice, FL 34292, 941-451-8756                                            |
| Tim Martin, 10975 Hughey Kimal Drive, Venice, FL 34292, 570-974-6090                                           |
|                                                                                                                |

Issuance Date: April 14, 2026

I received a disclosure document issued April 14, 2026 which included the following exhibits:

|           |                                                            |
|-----------|------------------------------------------------------------|
| Exhibit A | List of State Administrators/Agents for Service of Process |
| Exhibit B | Franchise Agreement                                        |
| Exhibit C | Brand Standards Manual Table of Contents                   |
| Exhibit D | Financial Statements                                       |
| Exhibit E | State Addenda and Agreement Riders                         |
| Exhibit F | List of Current and Former Franchisees                     |
| Exhibit G | Franchise Disclosure Questionnaire                         |
| Exhibit H | Contracts for use with the Freedom Boat Club Franchise     |
| Exhibit I | State Effective Dates                                      |
| Exhibit J | Receipt                                                    |

|               |               |
|---------------|---------------|
| Sign:         | Sign:         |
| Printed Name: | Printed Name: |
| Date:         | Date:         |

**PLEASE RETAIN THIS COPY FOR YOUR RECORDS.**



**RECEIPT  
(Our Copy)**

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 Freedom Franchise Systems, LLC offers you a franchise, it 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.

Under Iowa law, if applicable, Freedom Franchise Systems, LLC must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires Freedom Franchise Systems, LLC to give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this disclosure document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Freedom Franchise Systems, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, and the appropriate state agency identified on Exhibit A.

| The name, principal business address, and telephone number of each franchise seller offering the franchise is: |
|----------------------------------------------------------------------------------------------------------------|
| Cecil Cohn, 10975 Hughey Kimal Drive, Venice, FL 34292, 941-451-8756                                           |
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| Exhibit J | Receipt                                                    |

|               |               |
|---------------|---------------|
| Sign:         | Sign:         |
| Printed Name: | Printed Name: |
| Date:         | Date:         |

Rev. 112025

**Please sign this copy of the receipt, date your signature, and return it to Freedom Franchise Systems, LLC,  
10975 Hughey Kimal Drive, Venice, FL 34292.**

