FRANCHISE DISCLOSURE DOCUMENT

	FREEDOM FRANCHISE SYSTEMS, LLC A Florida Limited Liability Company 897 E. Venice Avenue Venice, FL 34285-7038 Phone: (941) 451-8756 Fax: (941) 451-8766 Email: lchemi@freedomboatclub.us www.freedomboatclub.com

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 entry fee and monthly dues ("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 $222,500 and $500,500. This includes $50,000 to $365,000 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 Louis Chemi, 897 E. Venice Avenue, Venice, FL 34285-7038 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 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 25, 2023, as amended June 8, 2023

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your 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" means Freedom Franchise Systems, LLC. "You," "your," and "Franchisee" means 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 897 E. Venice Avenue, Venice, FL 34285-7038. 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 therefore indirectly acquired us. Brunswick, Holdings and FOD are now our parent companies. 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 of our affiliates, Fanautic Club, S.L.U. offered membership-only boat club franchises similar to the type being offered under this Franchise Disclosure Document in Spain from December 2013 to July 2021 and sold 14 franchises in Spain. None of our other affiliates have ever offered franchises similar to the type being offered under this Franchise Disclosure Document. We have six affiliates that operate businesses similar to the type of business you will operate and we have nine affiliates that provide products or services to franchisees, as set forth in the following chart:

Affiliate Name	Services Offered to Franchisees / FBC Locations Operated	Principal Business Address
Freedom Boat Club, LLC	Owns and operates 63 FBC Locations*	897 E. Venice Avenue Venice, FL 34285-7038

Affiliate Name	Services Offered to Franchisees / FBC Locations Operated	Principal Business Address
Freedom Boat Club SEFL, LLC	Owns and operates 4 FBC Locations*	897 E. Venice Avenue Venice, FL 34285-7038
Palmetto Boat Club, LLC	Owns and operates 3 FBC Locations*	897 E. Venice Avenue Venice, FL 34285-7038
Freedom Boat Club Chicago, LLC	Owns and operates 4 FBC Locations*	318 W. Adams Street, # 1400, Chicago, IL, 60606
Marina Boat Club, LLC	Owns and operates 2 FBC Locations*	150 Clemson Marina Drive, Seneca, SC 29678
Another Day in Paradise Boat Club, LLC	Owns and operates 33 FBC Locations*	897 E. Venice Ave Venice, FL 34285-7038
Freedom Boat Club UK Ltd.	Owns and operates 2 FBC Locations in the United Kingdom*	100 New Bridge Street, London EC4V 6JA UK
Fanautic Club, S.L.U.	Owns and operates 9 FBC Locations in Spain, and is the franchisor of 18 Fanautic brand boat clubs in Spain*	calle Cardenal Rossell, n 5, Palma del Mallorca, 07007 Spain
Marine Power International, LLC	Owns and operates 1 FBC Location in Australia	Private Bag 1420, Dandenong South, VIC, 3164, Australia
Brunswick Family Boat Co, Inc.	Sells boats to franchisees	26125 N. Riverwoods Blvd., Suite 500, Mettawa, IL, 60045
Freedom Business Services, LLC	Provides franchisees with access to outside bookkeeping and fleet management vendors	897 E. Venice Avenue Venice, FL 34285-7038
Boateka, Inc.	Purchases used boats and used inventory from franchisees	26125 N. Riverwoods Blvd # 500, Mettawa, IL 60045
Land 'N' Sea Distributing, Inc.	Sells parts and accessories to franchisees	3131 N. Andrews Avenue Extension, Pompano Beach, FL 33064
Boston Whaler, Inc.	Sells boats to franchisees	100 Whaler Way, 4121 U.S. Highway 1, Edgewater, FL 32141
Brunswick Leisure Boat Company	Sells boats to franchisees	1111 N. Hadley Road, Ft. Wayne, Allen County, IN 46804

Affiliate Name	Services Offered to Franchisees / FBC Locations Operated	Principal Business Address
Thunder Jet Boats, Inc.	Sells boats to franchisees	1401 Bridget Street, Clarkston, WA 99403
Brunswick Strategic Insurance Group, LLC	Captive insurance company that reinsures a portion of the unified marine general liability and boat club coverage	262125 N. Riverwoods Blvd., # 500, Mettawa, IL 60045
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

*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 ("FBC Franchises" or "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.

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 entry fee and monthly dues. 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 a FBC Location at or near a large body of water and in a geographic area suitable for the operation of a 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 transfers among the membership programs of different FBC Businesses (according to procedures and specifications set forth in the brand standards manuals and in individual member agreements).

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. If so, at the time you sign your Franchise Agreement, you will also enter into 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 many 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 ("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.

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"). We will also offer conversion Franchises to existing, similar businesses.

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 agree to comply with all local laws as well as the federal laws including the Americans with Disabilities Act. You may also be subject to certain health and safety requirements as well as licensing requirements in teaching and supervising children. 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, Boating Services 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 present.

Chief Financial Officer: Stacey Cofer

Ms. Cofer is our Chief Financial Officer in Venice, Florida and has been since June 2022. Ms. Cofer previously held several positions at Brunswick Corporation in Mettawa, Illinois including Director, Mergers and Acquisitions from June 2021 until June 2022; Director, Financial Planning and Analysis from June 2020 until June 2021; Senior Manager, Financial Planning and Analysis from July 2019 until June 2020; and Manager, Financial Planning and Analysis from May 2016 until July 2019.

Vice President: Louis Chemi

Mr. Chemi is our Vice President, in Venice, Florida and has been since May 2019. Mr. Chemi is also the Vice President of Freedom Business Services, LLC in Venice, Florida and has been since August 2020. Previously, Mr. Chemi served as our Chief Operating Officer in Venice, Florida from February 2018 to May 2019.

Vice President, Access to Water: Barry Slade

Mr. Slade is our Vice President, Access to Water in Venice, Florida and has been since August 2021. Previously, he served as Vice President of Fleet and Franchise Development from May 2019 to August 2021. Mr. Slade previously served as Chief Operating Officer for Freedom Boat Club, LLC in Venice, Florida from May 2017 to May 2019.

Franchise Development Manager: Kevin VanHorn

Mr. VanHorn is our Franchise Development Manager, in Venice, Florida and has been since December 2019. Previously, Mr. VanHorn served as Operations Manager in Venice, Florida for Freedom RVing from May 2018 to December 2019. Mr. VanHorn was an independent contractor in the transportation industry from August 2017 to May 2018 in Venice, Florida.

Franchise Development Manager: Jim Blaze

Mr. Blaze is our Franchise Development Manager in LaGrange, California and has been since October 2020. Mr. Blaze worked as a Business Development Manager most recently with Jacuzzi Brands in Chino Hills, California from December 2019 to June 2020. Mr. Blaze searched for employment until October 2020. Before that, he held a Business Development Manager position for Polaris Industries in Medina, Minnesota from July 2009 to October 2019. He looked for employment from October 2019 until December 2019.

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. Mr. Martin worked as a Business Development Manager with Jacuzzi Brands in Chino Hills, California from January 2019 to June 2020. Before that he held the Director of New Business Development position for Fox Pool Corporation in York, Pennsylvania from September 2014 to October 2018. Mr. Martin searched for employment from July 2020 until February 2021 and from October 2018 until January 2019.

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"), and 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 a reduced Initial Franchise Fee under the following circumstances:

(1) 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. To be eligible to convert, you must have operated your business for at least six months at the time of conversion ("Conversion Owner(s)"). 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 Franchises Agreement. Conversion Owners will receive a reduction equal to six percent (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, 2022.

(2) If you are already a franchisee and purchase additional Franchises that border the protected territory of a 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 ten percent (10%) discount on our Initial Franchise Fee.

During our last fiscal year, ended December 31, 2022, we collected Initial Franchise Fees ranging from $19,000 (for an adjacent territory) to $50,000.

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. If you are using our floor plan companies where we have established relationships, then the amounts listed above could be lowered by $80,000 to $90,000 for the low amount and by $240,000 to $270,000 for the high amount. See Item 7 for more information. 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.

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[(1)(2)]	The greater of 6% of "Gross Revenues" or the Minimum Royalty ("Royalty")	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. The "Minimum Royalty" 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 royalty.

Type of Fee	Amount	Due Date	Remarks
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 ("Brand Building Fund"). You will be required to contribute 0.5 percent (0.5%) of Gross Revenues to the Brand Building Fund. 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 one percent (1%) of your monthly Gross Revenues beginning 30 days after opening your FBC Business.
Local and Regional Advertising Cooperatives[3]	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[4]	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 twenty percent (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.
Technology Fee[5]	Up to $1,000 per month (Not currently charged)	Same as Royalty	Franchisor reserves the right to charge Franchisee a "Technology Fee" not to exceed one thousand dollars ($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.
Boat Expo Exhibitor Fees[6]	Will vary under circumstances (generally $1,000 - $3,500 per year)	As incurred	You are required to attend, as an exhibitor, each boat expo that takes place in your protected territory, or if there are none in your territory, the most appropriate expo for your market.
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.

Type of Fee	Amount	Due Date	Remarks
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 ("EFT"), we may charge a service charge of up to four percent (4%) of the total charge.
Late Payment	$100 per occurrence, plus the greater of: (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 two percent (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 includes the cost of regular non-financial quality audits.
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	$200 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 brand).

Type of Fee	Amount	Due Date	Remarks
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 agree to reimburse for any legal or administrative fees we incur in connection with the preparation of the Franchise Agreement amendment.
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(7)	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:

All fees paid to us or our affiliates are uniform and not refundable under any circumstances once paid. 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 that we have indicated may increase over the term of the Franchise Agreement.

1. Royalty. You will pay a monthly Royalty of the greater of six percent (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 a 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 a 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. Gross Revenues. "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 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). 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. 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.

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. The current technology fee is up to $1,000 per month beginning the month you begin operations. 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. Boat Expos. You are required to exhibit at each boat expo that takes place in your protected territory or at the nearest appropriate expo if there is not one in your territory. You will have a booth or table in the vendor/exhibit hall to gain visibility and network with others in the industry. While at these expos, you will present the Freedom Boat Club concept to attendees of the boat show who are interested in boating. Actual costs will depend on the number and frequency of boat expos within your protected territory each year, your method of travel, and accommodations chosen, which amounts are not paid to us, and may or may not be refundable.

7. 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 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[(1)]	$50,000	$50,000	Lump sum	When you sign the Franchise Agreement	Us
Training Expenses[(2)]	$2,000	$4,000	As incurred	As incurred	Third Parties
Real Estate[(3)]	$3,000	$9,000	As incurred	As incurred	Landlord
Improvements (including Signage)[(4)]	$1,000	$3,000	As incurred	Before opening	Landlord or Construction Contractors
Furniture, Equipment[(5)]	$2,000	$3,500	As incurred	Before opening	Third Parties
Boat Inventory[(6)]	$120,000	$300,000	As incurred	Before opening	Us, our Affiliates, Third Parties

Expenditure	Amount		Method Of Payment	When Due	To Whom Payment Is To Be Made
	Low	High			
Professional Fees[7]	$1,500	$5,000	As incurred	As incurred	Lawyers, Accountants, and Other Professionals
Insurance[8]	$7,000	$12,000	As incurred	As incurred	Our Approved Insurance Company
Start-up Advertising	$15,000	$60,000	As incurred	As incurred	Third Parties
Deposits, Licenses/Permits[9]	$1,000	$4,000	As incurred	Before opening	Suppliers, Utility Companies, Government Agencies, etc.
Sales and Marketing Support Fee[10]	$0	$15,000	As incurred	As incurred	Us
Additional Funds - Three Months[11]	$20,000	$35,000	As incurred	As incurred	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT[12][13]	$222,500	$500,500			

Notes:

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your FBC Franchise. 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. All expenditures paid to us or our affiliates are uniform and non-refundable under any circumstances once paid, unless otherwise described in this Franchise Disclosure Document. 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. 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 a 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 Cypress Cay 232 (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. If you will be using our floor plan companies where we have established relationships, then the amounts listed above could be lowered by $80,000 to $90,000 for the low amount and by $240,000 to $270,000 for the high amount.

7. Professional Fees. We strongly recommend that you hire a lawyer, accountant, or other professional to advise you on this Franchise offering. 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 a 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.

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 FBC 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 Franchise. You should review these figures carefully with a business advisor before making any decision to purchase the Franchise.

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; however, 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 according to our System and specifications. This includes purchasing or leasing all products, services, supplies, fixtures, equipment, inventory, computer hardware and software, and real estate related to establishing and operating the FBC Franchise under our specifications, which may include purchasing these items from: (i) our designees, (ii) approved suppliers, and/or (iii) us or our affiliates. 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 Franchise, 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, only fixtures, furnishings, equipment, signs, and supplies that conform to the standards and specifications described in the Brand

Standards Manual or otherwise in writing. You must purchase vessels appropriate to the use requirements of your FBC Business, and the safety and ambience of the System. We have a list of suitable manufacturers and boat models.

Purchases from Approved Suppliers

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 all approved suppliers of boats. We are also an approved supplier of boats as described in Item 5. Unless you are renewing an existing franchise agreement with us, we will require you to sign a fleet exclusivity agreement under which you are restricted from purchasing boats for your FBC Business from anyone besides us and our affiliates, subject to availability. Your cost to purchase boats will depend on then-current 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. A sample fleet exclusivity agreement is attached as Exhibit H. Brunswick is also an approved supplier of engines, and our affiliate Land 'N' Sea Distributing, Inc is an approved supplier of parts and accessories. Our affiliate Freedom Business Services, LLC provides franchisees with 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 to sell with their retired fleet boats. None of these affiliates are currently the only approved supplier, but we reserve the right to designate them as the only approved supplier in the future. BAC, the joint venture between our parent Brunswick and Wells Fargo Commercial Distribution Finance, is a supplier of financing (see Item 10 below). Otherwise, neither we, nor any of our affiliates, are currently approved suppliers of products or supplies to be used in your FBC Business.

You may purchase from any supplier whose products or vessels meets the specifications, product line, and brand requirements contained in our Brand Standards Manual. These specifications may limit the brands and product lines of boats, engines, parts and accessories you may purchase. All vessels must meet or exceed the minimum specifications contained in the Brand Standards Manual. Except for the sales of products or services by us or our affiliates to franchisees, we do not derive any revenue, rebates, or other material benefits from your use of approved manufacturers or suppliers but we reserve the right to do so in the future. Our revenue or other consideration received may include promotional allowances, volume discounts, and other payments. There are no caps or limitations on the maximum amount of rebates we may receive from our suppliers as the result of franchisee purchases. Some vendors who exhibit at our annual franchise conference pay a fee which is used to directly offset costs of the conference.

We and our affiliates are currently the only approved suppliers of certain products and services and approved suppliers of certain products and services, as described above. These products and services include boats, engines, supplier parts and accessories. We and our parent and affiliates, who are approved suppliers (as described above), may derive revenue from the sale of products or services to franchisees. We may designate ourselves or our affiliates in the future as an approved supplier of additional products or services, or the only approved supplier, from which you may or must lease or purchase certain products or services in developing and operating your FBC Business. 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, 2022, we did not derive any revenue, or other material consideration from the sale or lease of products or services to franchisees. During our last fiscal year, ended December 31, 2022, our affiliates realized revenues totaling $40,485,492 from the sale or lease of products or services to franchisees, allocated as follows: Brunswick (including divisions),

$21,313,107; Brunswick Family Boat Co, Inc., $8,492,164; Land 'N' Sea Distributing, Inc., $1,568,403; Boston Whaler, Inc., $1,515,489; Brunswick Leisure Boat Company, $7,173,486; Thunder Jet Boats, Inc., $395,608; and Brunswick Product Protection Corporation, $27,235.

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 of your total cost to establish a FBC Business, and 15% to 35% of your total cost to operate a FBC Business (not including amortization, depreciation, or replacement of worn or obsolete improvements, equipment, or fixtures).

We have certain purchase arrangements with suppliers of boats, marine engines, and related equipment that provide price discounts for the benefit of our franchisees. We may negotiate other similar purchase arrangements in the future.

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 Franchise, 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 named 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 Franchises 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
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
1. 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, its 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 [1]	BAC	Up to 100% of the original invoice price of each Covered Boat[2]	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 negotiated between BAC and franchisee[3]	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[4]	Based on negotiated terms but may include: 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 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.[5]

1. A "Covered Boat" means any boat purchased from Brunswick Corporation or one of our affiliates approved by BAC, 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 negotiated spread adjustment; 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) the Secured Overnight Financing Rate as published by the Federal Reserve Bank of New York (or in other publication that BAC designates) on the first business day of such month plus a negotiated spread adjustment; or (b) the negotiated minimum rate. "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) the negotiated minimum rate. The Base Rate (or any substitute benchmark) may be further adjusted by BAC to includes 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) entrance 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 that 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, we have 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, BAC may or may not remain primarily obligated to provide the financed goods or services, and the franchisee may lose all its defenses against the lender 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. 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 Franchise, 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 a 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. Approve the proposed site for your FBC Business prior to your execution of a lease. If, at the time the Franchise Agreement is executed, you have not obtained or we have not approved a location for the FBC Business, you must, 60 days after signing the Franchise Agreement, obtain a site for the FBC Business. If you do not submit an acceptable proposed site 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 approve or disapprove your proposed site within 30 days of receipt of your completed site report and any other materials we request. Approval of your FBC Business location is based on 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 withhold approval on any site for any reason. No proposed site will be deemed approved unless it has been expressly approved in writing by us (Franchise Agreement, Section IV.A.).

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. A 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 in the amount of $125 per week ("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 in the site selection process for your FBC Location, and if we elect to assist you, we reserve the right to charge a site evaluation assistance fee ("Site Selection Assistance Fee") for these services. If we choose to provide this assistance, the Site Selection Assistance Fee will be the sum of $500 per day (based on an eight-hour day, including travel time), plus all of our 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.

Advertising

Brand Building Fund

The Brand Fund is for marketing, developing, and promoting the System, the Marks and Freedom Boat Franchises. You must pay 0.5% of your Gross Sales to the Brand Fund ("Brand Fund Contribution"). We reserve the right to increase the Brand Fund Contribution up to 1% upon 30 days' written notice. Your Brand 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 Fund, but certain franchisees may contribute on a different basis depending on when they signed their Franchise Agreement. Freedom Boat Businesses owned by us and our affiliates will contribute to the Brand 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 a professional advertising agency or media buyer and any other purpose to assist us. The Brand Building Fund will be in a separate bank account, commercial account, or savings account. 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; 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, 2022, the Brand Building Fund contributions were approximately spent as follows: 12% on production, 69% on media placement, and 19% on software.

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 one percent (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 required 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 material 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 of promotional items or services that will be sold in your FBC Business, those items or services must be included in your Gross Revenues, and will be subject to Royalties, 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 one and one-quarter percent (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.

Advisory Committee

We have established a Brand Building Fund advisory committee consisting of volunteer franchisees who advise and consult with us regarding the establishment, modification, continuance or other decisions or considerations affecting marketing programs and advertising policies of the Brand Building Fund ("Brand Building Fund Advisory Committee"). The organizational structure and manner of operation of the Brand Building Fund Advisory Committee have been determined by us to promote communications between us and all franchiseess. We consult with the Brand Building Fund Advisory Committee and consider the committee'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 Brand Building Fund Advisory Committee 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 10 or later (or other approved OS), with licensed QuickBooks and Microsoft Office (2016, 365, or later) 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 $300 to $2,500. 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 Franchise. 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 a site on the Internet or register a domain name, other than that which is provided by us. 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 complete, to our satisfaction, the Initial Training Program at a location designated by us. Successful completion will be determined by attendance at the initial training which is held at our corporate office. If each of persons that we require do not complete our initial training program 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. Training will not exceed five business days, and usually takes place approximately 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
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
TOTAL	28	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. Louis Chemi, our Vice President since May 2019, currently oversees our training program. Mr. Chemi has worked in the marine industry since 1995 and has been with the franchisor since 2018.

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. Each of our member trainers has a USCG Captain's License with a minimum of three years' experience in the industry, including experience in each of the areas of training focus, and regularly attends industry workshops and forums to maintain their expertise.

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 license 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.

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, a 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 wish to purchase an additional FBC Business, you must apply to us, and we may, at our discretion, offer an additional Franchise to you. We will approve the territory and location for any future Franchises and our then-current standards will apply. You may directly market or solicit customers located anywhere so long as you do not operate your FBC Business outside your Protected Territory, follow the customer marketing and solicitation requirements in our Brand Standards Manual and follow any off-site policies and procedures in our Brand Standards Manual. We and our franchisees may market and solicit customers located inside your Protected Territory to do business with FBC Businesses located outside of your Protected Territory, however we and our franchisees may not operate a FBC Business within your Protected Territory.

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 approval. 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. We are not required to pay any compensation for soliciting or accepting orders inside your Protected Territory.

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
FREEDOM	2,649,304	November 12, 2002	Principal
THE BOAT IS WAITING	3,522,198	October 21, 2008	Principal
	3,525,448	October 28, 2008	Principal
BOATING MADE SIMPLE	4,813,762	September 15, 2015	Principal
FREEDOM BOAT CLUB	5,432,435	March 27, 2018	Principal
FREEDOM BOAT SISTERS	6,992,387	February 28, 2023	Principal

There are no effective adverse material determinations of the USPTO, the Trademark Trial and Appeal Board, or the trademark administrator of any state or any court, and 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 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 a site on the Internet or register a domain name or social media account without our approval, which may be withheld at our sole discretion. 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 advertisement and promotional materials, although these materials have not been registered with the United States Registrar of Copyrights. 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 currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the 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 must not copy, duplicate, record, or reproduce these materials or otherwise make them available to any unauthorized person. The Brand Standards Manual will remain our sole property, and must be kept in a secure place at the FBC Business.

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 immediately inserting all modified pages provided by us for the Brand Standards Manual. 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 is necessary for the operation of the FBC Business and as we approve, you may not, during the term or at any time after the expiration or termination of the Franchise Agreement, regardless of the cause of termination, directly or indirectly use for your own benefit, or communicate or divulge to any person or entity (including through the use of text prompts of artificial intelligence ("AI") tools), or use for the benefit of any other person or entity, any trade secrets, confidential information, knowledge or know-how concerning the services, advertising, marketing, designs, plans, or methods of operation of the FBC Business or the System. You may disclose to your employees only that confidential, proprietary, or trade secret information as is necessary to operate the business and then only while the Franchise Agreement is in effect. 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 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 our trade dress (i.e., elements of the FBC Business method and style of doing business) inherently and uniquely distinctive and protectable under applicable Federal and State laws.

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 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 must devote your full time, energy, and best efforts to the management and operation of the FBC Business.

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 and the governing documents of the Business Entity (and of any business entity that directly or indirectly has ownership in the Business Entity).

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 all members of other franchisees' FBC Businesses with access and reciprocal services at your FBC Business in accordance with the Brand Standards Manual under which you will not be entitled to any fees or charges. This means that you will not receive any compensation for providing reciprocal benefits to other members at your FBC Business. 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 transfer of their membership from your FBC Business location to a location owned and operated by a FBC franchisee other than you, you must provide assistance in effectuating the transfer and will not be entitled to any fees or charges for this assistance. The receiving FBC Business will be entitled to collect a transfer fee from the Member in accordance with the Brand Standards Manual.

To the extent applicable, we will administer any franchisee-to-franchisee collections and payments for fuel and other incidental expenses for clients 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 products and services in the future, and to withdraw any of our previous approvals. In that case, you must comply with the new requirements and bear any associated costs or expenses. We have the right to change the types of authorized products and services. There are no limitations on our rights to make changes to the required services and products offered by you.

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 are not limited in the customers to whom you may sell, except that all products and services must be sold in your Protected Territory (See Item 12).

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 one successor term 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.
1. 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 for any reason 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' FBC Franchise(s); may not solicit any customer, of the Franchise or any FBC Franchise, subject to applicable state law.
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 50 miles of any FBC Franchise, either opened or under development. Owners may not solicit any customer of the Franchise or any FBC Franchise for two years, subject to applicable state law.

Provision	Section in Franchise Agreement	Summary
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 Louis Chemi, Freedom Franchise Systems, LLC, 897 E. Venice Avenue, Venice, FL 34285-7038, 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 2020-2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	188	224	+36
	2021	224	244	+20
	2022	244	240	-4
Company-Owned*	2020	23	28	+5
	2021	28	57	+29
	2022	57	112	+55
Total Outlets	2020	211	252	+41
	2021	252	301	+49
	2022	301	352	+51

*These outlets are operated by our affiliates.

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2020-2022

State	Year	Number of Transfers
District of Columbia	2020	0
	2021	1
	2022	0
Kentucky	2020	0
	2021	0
	2022	1
Maryland	2020	0
	2021	7
	2022	0
Pennsylvania	2020	0
	2021	1
	2022	0
Tennessee	2020	2
	2021	0
	2022	0
Virginia	2020	0
	2021	0
	2022	4
Washington	2020	0
	2021	0

State	Year	Number of Transfers
	2022	8
British Columbia, Canada	2020	0
	2021	0
	2022	1
Totals	2020	2
	2021	9
	2022	14

Table No. 3

Status of Franchised Outlets
For Years 2020-2022

State	Year	Outlets at Start of the Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Alabama	2020	2	0	0	0	0	0	2
	2021	2	1	0	0	0	0	3
	2022	3	1	0	0	0	0	4
Arkansas	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
California	2020	7	4	0	0	0	0	11
	2021	11	5	0	0	0	1	15
	2022	15	1	0	0	0	0	16
Connecticut	2020	6	1	0	0	0	0	7
	2021	7	0	0	0	7	0	0
	2022	0	0	0	0	0	0	0
Delaware	2020	4	0	0	0	0	0	4
	2021	4	1	0	0	0	0	5
	2022	5	0	0	0	0	0	5
District of Columbia	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
Florida	2020	52	10	0	0	0	0	62
	2021	62	11	0	0	0	8	65
	2022	65	11	0	0	30	6	40
Georgia	2020	7	1	0	0	0	0	8
	2021	8	1	0	0	0	0	9
	2022	9	0	0	0	3	0	6
Idaho	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1

State	Year	Outlets at Start of the Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Illinois	2020	2	2	0	0	0	0	4
	2021	4	0	0	0	4	0	0
	2022	0	0	0	0	0	0	0
Indiana	2020	1	0	0	0	0	0	1
	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Iowa	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	0	0	2
Kentucky	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Louisiana	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Maine	2020	3	1	0	0	0	0	4
	2021	4	1	0	0	0	0	5
	2022	5	1	0	0	0	0	6
Maryland	2020	5	1	0	0	0	0	6
	2021	6	3	0	0	0	0	9
	2022	9	4	0	0	0	2	11
Massachusetts	2020	12	4	0	0	0	1	15
	2021	15	4	0	0	0	0	19
	2022	19	0	0	0	0	0	19
Michigan	2020	7	1	0	0	0	0	8
	2021	8	2	0	0	0	0	10
	2022	10	2	0	0	0	0	12
Mississippi	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Missouri	2020	2	1	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	1	0	0	0	0	4
New Hampshire	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
New Jersey	2020	4	2	0	0	0	0	6
	2021	6	4	0	0	0	0	10
	2022	10	4	0	0	0	1	13
New Mexico	2020	1	0	0	0	0	0	1

State	Year	Outlets at Start of the Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
	2021	1	0	0	0	0	0	1
	2022	1	0	1	0	0	0	0
New York	2020	9	2	0	0	0	0	11
	2021	11	2	0	0	6	0	7
	2022	7	3	0	0	0	1	9
North Carolina	2020	4	2	0	0	0	0	6
	2021	6	1	0	0	0	0	7
	2022	7	1	0	0	0	0	8
Ohio	2020	4	2	0	0	0	0	6
	2021	6	1	0	0	0	0	7
	2022	7	1	0	0	0	0	8
Oregon	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Pennsylvania	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Rhode Island	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	4	0	0
	2022	0	0	0	0	0	0	0
South Carolina	2020	9	0	0	0	2	0	7
	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	1	0	6
Tennessee	2020	3	1	0	0	0	0	4
	2021	4	2	0	0	0	0	6
	2022	6	5	1	0	0	1	9
Texas	2020	8	1	0	0	0	0	9
	2021	9	2	0	0	1	0	10
	2022	10	1	0	0	0	1	10
Virginia	2020	4	1	0	0	0	0	5
	2021	5	2	0	0	0	0	7
	2022	7	0	0	0	0	0	7
Washington	2020	10	2	0	0	0	0	12
	2021	12	0	0	0	0	1	11
	2022	11	2	0	0	0	0	13
British Columbia, Canada	2020	2	0	0	0	0	0	2
	2021	2	2	0	0	0	0	4
	2022	4	1	0	0	0	0	5

State	Year	Outlets at Start of the Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Nova Scotia, Canada	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Ontario, Canada	2020	2	1	0	0	0	0	3
	2021	3	3	0	0	0	0	6
	2022	6	0	0	0	0	0	6
Quebec, Canada	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	1	0	0	0	0
France	2020	3	0	0	0	0	1	2
	2021	2	1	0	0	0	0	3
	2022	3	0	0	0	0	0	3
United Kingdom	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	2	0	0	0	0	2
Totals	2020	188	40	0	0	2	2	224
	2021	224	52	0	0	22	10	244
	2022	244	45	3	0	34	12	240

Table No. 4

Status of Company-Owned Outlets
For Years 2020-2021

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	2020	0	0	0	0	0	0
	2021	0	0	7	0	0	7
	2022	7	0	0	0	0	7
Florida	2020	22	2	0	0	0	24
	2021	24	1	0	0	0	25
	2022	25	3	30	0	0	58
Georgia	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	3	0	0	3
Illinois	2020	0	0	0	0	0	0
	2021	0	2	4	0	0	6
	2022	6	0	0	1	0	5
Minnesota	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1
New York	2020	0	0	0	0	0	0
	2021	0	0	6	0	0	6
	2022	6	0	0	0	0	6
North Carolina	2020	1	1	0	0	0	2
	2021	2	1	0	0	0	3
	2022	3	0	0	0	0	3
Rhode Island	2020	0	0	0	0	0	0
	2021	0	0	4	0	0	4
	2022	4	2	0	0	0	6
South Carolina	2020	0	0	2	0	0	2
	2021	2	2	0	1	0	3
	2022	3	0	1	0	0	4
Texas	2020	0	0	0	0	0	0
	2021	0	0	1	0	0	1
	2022	1	0	0	0	0	1
Wisconsin	2020	0	0	0	0	0	0
	2021	0	1	0	0	0	1
	2022	1	6	0	0	0	7

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Spain	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	9	0	0	0	9
UK	2020	0	0	0	0	0	0
	2021	1	0	0	0	0	1
	2022	1	1	0	0	0	2
Total Outlets	2020	23	3	2	0	0	28
	2021	28	8	22	1	0	57
	2022	57	22	34	1	0	112

Table No. 5

Projected Openings as of
December 31, 2022

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
Arkansas	0	1	0
California	0	2	0
Connecticut	0	0	1
Florida	0	2	15
Georgia	0	0	3
Idaho	0	1	0
Illinois	0	0	1
Indiana	0	1	0
Iowa	0	1	0
Kansas	0	1	0
Massachusetts	0	1	0
Michigan	0	1	0
Minnesota	0	0	1
New Hampshire	0	1	0
New Jersey	0	1	0
New York	0	3	1
North Carolina	0	2	1
Puerto Rico	1	0	0
Rhode Island	0	0	1
South Carolina	0	0	2
Tennessee	0	2	0

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
Texas	0	2	0
Australia	0	5	1
Denmark	1	0	0
France	0	0	3
Spain	0	0	3
United Kingdom	1	0	2
Total	3	27	35

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 a 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, 2022, 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 FBC 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 FBC 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: unaudited financial statements as of April 1, 2023, and audited financial statements as of December 31, 2022, December 31, 2021, and December 31, 2020. Our fiscal year end is December 31st.

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. 4th 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, 21st 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 Securities Department
600 East Boulevard Avenue
State Capitol, Fourteenth Floor, Dept. 414
Bismarck, ND 58505-0510
(701) 328-4712

Agent for Service of Process:

Securities Commissioner
600 East Boulevard Avenue
State Capitol, Fourteenth Floor, Dept. 414
Bismarck, ND 58505-0510

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, 9th Floor
Richmond, VA 23219

Agent for Service of Process:

Clerk of the State Corporation Commission
1300 E. Main Street, 1st Floor
Richmond, VA 23219

WASHINGTON

State Administrator:

Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, WA 98507
(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. 012723

EXHIBIT B

FRANCHISE AGREEMENT

EXHIBIT B

FREEDOM BOAT CLUB

FRANCHISE AGREEMENT

FREEDOM BOAT CLUB FRANCHISE AGREEMENT

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ATTACHMENTS:

Attachment A	Franchise Data Sheet	B-A-1
Attachment A-1	Location Approval Form	B-A-3
Attachment B	Membership Agreement Assignment Form	B-B-1
Attachment C	Business Entity Information	B-C-1
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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 a FBC Business include, but are not limited to: the name "Freedom Boat Club", operational "know-how"; sales and merchandising methods; training of franchisees and FBC Business personnel; advertising techniques; signage; recordkeeping and business management methods, all of which may be changed from time to time by Franchisor (hereinafter collectively, the "System").

Franchisee desires to obtain a franchise to operate a 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 approved 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 Approval 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 Approval Form. Franchisee agrees not to change the FBC Location without the prior written approval 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 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 Franchisee 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 a 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, which is currently $10,000. 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 party or individual that has a direct, indirect and/or beneficial ownership interest in Franchisee ("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 officers, directors, owners, employees, and agents. 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 under 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.

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 one additional period 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 the 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 officers, 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 Revenue Requirement"; 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 on renewal adjust, 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 Revenue Requirement only if Franchisee's Gross Revenue during the final 12 months of this Franchise Agreement was at least $500,000. Franchisee acknowledges and agrees that the Minimum Renewal Gross Revenue Requirement is not an earnings claim or representation for any FBC Business, does not imply that any FBC Business will have Gross Revenue that equals or exceeds the Minimum Renewal Gross Revenue 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^{th}) 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 Revenue.

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 Revenue.

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 Revenue.

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 Revenue" 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.

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 approved 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 approved by the Franchisor in writing prior to Franchisee executing a binding lease or otherwise securing the proposed site. Franchisor will approve or disapprove 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 approval 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 approval is intended only to indicate that the proposed site meets the Franchisor's minimum criteria for identifying Franchise Location sites. The Franchisee agrees that the Franchisor's approval or disapproval 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 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 approved in writing by Franchisor, which approval 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.

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 such inventory and items shall be purchased from the suppliers we designate or approve, which may include or be limited to us or our affiliates. At Franchisee's sole expense, Franchisee must install all required signs, fixtures, furniture and equipment for the FBC Business pursuant to the specifications and criteria specified in this Franchise Agreement or the Brand Standards Manual. It shall be the Franchisee's sole responsibility to purchase any and all signs, fixtures, furniture, vessels and equipment from suppliers approved by Franchisor, to ensure that such items conform to Franchisor's specifications and to ensure that such items are safe for use in connection with a FBC Business. It shall be the sole responsibility of Franchisee to make any improvements to the FBC Location necessary for such site to comply with all applicable federal, state and local laws and regulations.

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 a 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.

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 and 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) ("Additional Training Fee"), 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 renewal of the FBC Business.

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. 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 income expenses.

FBC Businesses are operated under a business format utilizing a unique system with high standards of service, including valuable know-how, information, trade secrets, confidential information, training methods, standards, designs, methods of trademark usage, copyrights, sources and specifications, confidential electronic and other communications, methods of Internet usage, and research and development (the "System").

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 Franchisor'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 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 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 functions 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 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 a 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, a FBC Location at an approved 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 laws pertaining to the privacy of customer, employee, and transactional information ("Privacy Laws"). Franchisee also agrees to comply with Franchisor's standards and policies pertaining to Privacy Laws. 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) immediately 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 agrees not to publish, disseminate, implement, revise, or rescind a data privacy policy without Franchisor's prior written consent.

P. *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 to use such Customer Data in any manner that Franchisor deems appropriate 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 and cybersecurity requirements. Franchisee agrees to indemnify

Franchisor for any loss of data including, but not limited to Customer Data, resulting from a breach of such data caused, in whole or in part, by Franchisee.

Q. *Methods of Payment*

Franchisee agree 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, "Credit Card Vendors") that Franchisor may periodically designate as mandatory. The term "Credit Card 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 Credit Card Vendor for which Franchisor has not given Franchisee prior written approval or as to which Franchisor has revoked earlier approval. 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), 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.

R. *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 transfer their membership between Franchisee's FBC Business and another Freedom Boat Club location. Franchisor currently permits any customer to transfer their membership from one FBC Business to another, but only after that member has remained in good standing for one year with the initial franchisee and payment of a transfer fee to the subsequent franchisee. Franchisee agrees: (i) to permit any of its customers to freely transfer from its FBC Business to that of another franchisee, which will end the payment of any membership dues but will not require the forfeiture of any initiation fees; and (ii) to accept incoming transfer members at a reasonable transfer fee which shall not exceed $500, without the charge of any additional initiation fees.

S. *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 and, subject to any edits necessary to comply with applicable law, to enter into the form of membership agreement with its customers set forth in the Brand Standards Manual. Unless this Franchise Agreement is a Successor Franchise Agreement, Franchisee agrees to enter into Franchisor's current form of equipment exclusivity agreement, the current form of which is attached to Franchisor's Franchise Disclosure Document in Exhibit H.

T. *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 (iii) a statement identifying the FBC Business as an independently-owned franchised location. Franchisor has the right to prohibit or cancel memberships Franchisee sells that will expire beyond the expiration date of the Term of this Franchise Agreement or any exercised Successor Franchise Agreement. Franchisee is responsible for all refunds or liabilities to its members due to the cancelation of memberships as provided in this paragraph. Franchisee must execute the Member Contract Assignment Agreement in the form attached at Attachment B.

U. *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. Franchisor may, without obligation to do so, add, modify or delete authorized products and services, 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, Franchisee agrees to purchase or lease certain products and services only from suppliers designated or approved by Franchisor (which may include, or be limited exclusively to, Franchisor and its affiliates). If Franchisor receives rebates or other financial consideration from these suppliers based upon Franchisee's purchases or any other franchisee's purchases, Franchisor has no obligation to pass these amounts on to Franchisee or to use them for Franchisee's benefit. If Franchisor arranges for, or establishes, a cooperative buying program, Franchisee will be encouraged, but not obligated, to participate.

Franchisor may from time to time require Franchisee to discontinue the use or sale of any product or item, or disapprove a previously approved distributor or supplier which, in Franchisor's opinion, does not meet the standards of quality established by Franchisor. Franchisee will offer all products and services that Franchisor specifies and only those products and services that Franchisor specifies.

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. Franchisor reserves the right to designate itself and any of its parents, affiliates or subsidiaries as the exclusive supplier of the vessels, engines, parts and/or accessories that Franchisee must purchase for use in the FBC Business in the Brand Standards Manual.

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 named 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. 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. *Advertising, Marketing and Promotion Fee*

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 a Brand Building Fund advisory committee ("Brand Building Fund Advisory Committee"), consisting of franchisees of Franchisor, to advise and consult with Franchisor in connection with the establishment, modification, continuance or other decisions or considerations affecting marketing programs. The organizational structure and manner of operation of the Brand Building Fund Advisory Committee 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 Brand Building Fund Advisory Committee and consider such committee'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 disapproval 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(s) to a Brand Building Fund, advertising fund or any fund of a similar nature or other forms of advertising expense. Franchisee is also required 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 Revenue 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.

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 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 our 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 Revenue 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 of Franchisee's bank accounts, including personal bank accounts, and further, upon request, shall provide copies of all monthly bank statements for one or more of such accounts. Franchisee may only use 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. *Assignment 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. *Assignment by Franchisee*

1. This Franchise Agreement has been entered into by Franchisor in reliance upon and in consideration of the singular personal skill, qualifications and trust and confidence reposed in

Franchisee. Therefore, neither Franchisee's interest in this Franchise Agreement, any of Franchisee's rights or privileges, nor any interest in the FBC Business shall be assigned, transferred, shared or divided, voluntarily or involuntarily, by operation of law or otherwise, directly or indirectly, in any manner without the prior written consent of Franchisor and subject to Franchisor's right of first refusal as set forth in part D of this Section. Notwithstanding anything herein to the contrary, in the event of the death or legal incapacity of Franchisee or, in the case of a franchisee that is a business entity (as set forth in part E of this Section), of an Owner of more than twenty percent (20%) of the ownership interest, or any "Control Person" of a trust or other entity holding more than twenty percent (20%) of the ownership interest, the transfer of Franchisee's interest in this Franchise Agreement or of such Owner's interest, to his or her heirs, personal representatives or conservators, as applicable, shall require Franchisor's prior written consent, but shall not give rise to Franchisor's right of first refusal hereunder (as set forth in part D of this Section), although such right of first refusal shall apply as to any proposed transfer or assignment by such heirs, personal representatives or conservators. Control Person is defined as any individual having significant responsibility for controlling, managing, or directing the entity or trust, including, a chief executive officer, managing member, general partner, senior executive officer, or other individual who performs similar functions, or, in the case of a trust, each of the settlor, the trustees, beneficiaries, and any other individual who has control over the trust.

2. Should Franchisor not elect to exercise its right of first refusal under part D of this Section, or should such right of first refusal be inapplicable, as herein provided, Franchisor may impose any reasonable condition(s) to the granting of its written consent, which written consent is a required condition of any assignment. 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 assignment shall be deemed reasonable:

(a) that the assignee (or the principal officers, shareholders, directors, partners, members or managers of the assignee in the case of a corporation, partnership, or limited liability company assignee), demonstrate the skills, qualifications and economic resources necessary, in Franchisor's judgment, reasonably exercised, to own and operate the FBC Business;

(b) that Franchisee submit current, complete and accurate (i) 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 assignee 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 (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 assignee;

(c) that the proposed assignee must meet Franchisor's then-current standards for prospective franchisees;

(d) 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 assignee's ability to operate the FBC Business;

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

(f) that Franchisee sign a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's owners, officers, directors, employees, and agents;

(g) that the assignee shall have completed, at assignee's cost and expense, Franchisor's training program to Franchisor's satisfaction, exercised in good faith;

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

(i) that unless Franchisor agrees otherwise in writing, the assignee shall execute the then-current franchise agreement and related documents, including but not limited to Franchisor's then-current form of Owners Agreement or other guaranty, being offered to prospective franchisees (except that the assignee shall not be obligated to pay the Initial Franchise Fee);

(j) that Franchisee shall have expressly agreed in writing to comply with the non-competition and non-solicitation covenants set forth in Section XVII hereof and with all other post-termination obligations contained herein;

(k) assignee or Franchisee shall pay to Franchisor a transfer fee in an amount equal to $15,000, including a non-refundable deposit of $1,000 at the time at the request of approval; and

(l) that if assignee was referred to Franchisee through a broker, Franchisee shall pay any corresponding broker fees charged by such broker.

3. If Franchisee is a business entity (as set forth in Section XV.E), the death or legal incapacity of any Owner owning more than twenty percent (20%) of the ownership interests of Franchisee, or any Control Person of a trust or other entity holding more than twenty percent (20%) of the ownership interest, the issuance of any securities by Franchisee, the transfer of more than twenty percent (20%) in the aggregate of the ownership interests in Franchisee, by operation of law or otherwise, or any merger, consolidation, share exchange, share redemption, consolidation, reorganization or recapitalization involving Franchisee, shall be deemed to be an assignment of this Franchise Agreement within the meaning of this Section XV. If Franchisee is a partnership, the legal incapacity, death or withdrawal of any general partner, admission of any additional general partner, or the transfer of any general partner's interest in the property, management or profits and/or losses of the partnership shall be deemed to be an assignment hereunder.

C. *Financial and Other Information*

Franchisor shall have the right, but not the obligation, to furnish any prospective assignee 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 assignment, transfer or sale is sought. Franchisor shall also have the right, but not the obligation, to advise any prospective assignee 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 transaction shall not, however, be deemed a representation or guarantee by Franchisor that the terms and conditions of the proposed transaction are economically sound or that, if the transaction is consummated, the assignee will be capable of successfully operating the FBC Business, and no inference to such effect shall be made from such approval.

D. *Right of First Refusal*

Except as expressly provided in Section XV.B.1 to the contrary, any assignment of this Franchise Agreement, or any interest herein, or of the FBC Business, shall be subject to Franchisor's right of first refusal with respect thereto. Franchisor's said right of first refusal shall be exercised in the following manner:

1. Franchisee must obtain a bona fide, signed written offer from the purchaser or transferee and submit an exact copy of the offer to Franchisor along with such additional information requested by Franchisor concerning the proposed assignee including, but not limited to, information concerning the employment history, financial condition, credit history, skill and qualifications of the proposed assignee and, in the case of a partnership, corporation, or limited liability company assignee, of its partners, shareholders and members, as applicable.

2. Within 30 days after Franchisor's receipt of such notice (or if Franchisor shall request additional information, within 30 days after receipt of such additional information), Franchisor may either consent or withhold its consent to such assignment, in accordance with Section XV.B.1, or at its option, accept the assignment to itself or to its nominee upon the terms and conditions specified in the notice. Franchisor may substitute an equivalent sum of cash for any consideration other than cash specified in said notice. If Franchisor fails to exercise any of its rights or options, or otherwise fails to respond, then consent to the proposed assignment shall be deemed withheld.

3. If Franchisor shall elect not to exercise its right of first refusal and shall consent to such assignment, Franchisee shall, subject to the provisions of Paragraph B.1 of this Section XV, consummate the transaction with the proposed assignee on the terms and conditions specified in said notice. If, however, Franchisor elects not to exercise its right of first refusal and the terms shall be materially changed, or if more than 90 days shall pass without the transaction being consummated, such changed terms or lapse of time shall be deemed a new proposal and Franchisor shall again have such right of first refusal with respect thereto.

E. *Business Entity*

1. This Franchise Agreement may not be transferred to a business entity without the prior written approval of Franchisor, which approval shall not be unreasonably withheld. If Franchisee (at any time) becomes a business entity (a corporation, limited liability company, partnership or similar entity), Franchisee and the business entity (which shall then become the Franchisee hereunder), shall execute Franchisor's Approval of Requested Assignment in the form attached as Exhibit H to the Franchise Disclosure Document and agree and represent that:

(a) The 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 to this Franchise Agreement will completely and accurately describe all the Owners and their interests in the business entity and that the named individual Franchisee will own majority of the ownership interests in the business entity;

(d) Franchisee and Franchisee's Owners shall revise Attachment C as may be necessary to reflect any ownership changes and to furnish such other information about Franchisee's organization or formation as Franchisor may request;

(e) Each of Franchisee's Owners and their spouses, if any, who did not initially execute this Franchise Agreement 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 Disclosure Document);

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

2. The legal name of the business entity shall not contain, consist of or include any of the Proprietary Marks or the word "Freedom".

3. Subject to the provisions of Section XV.B.1, if Franchisee becomes a business entity, any merger thereof or sale or transfer of stock of any class in a corporate Franchisee, or ownership interests in a limited liability company Franchisee, whether by operation of law or otherwise, or the sale or transfer of any general partner's interest or the sale or series of sales or transfers of limited partnership interests (including transfers of shares in corporate partners) in a partnership Franchisee, whether by operation of law or otherwise, or the disposition in any manner of the ownership interests in any other business organization Franchisee, whether by operation of law or otherwise, or a transfer of substantially all of the assets of the FBC Business, shall be deemed an attempted assignment of this Franchise Agreement requiring the prior written consent of Franchisor.

In addition, future transfers of ownership interests in such business entities will be subject to all the provisions of this Section XV.

F. *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 assignee, nor does Franchisor's consent constitute a guarantee of the successful operation of the FBC Business by the assignee or a waiver of any claims Franchisor has against Franchisee.

G. *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.

H. *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 an Owner of more than twenty percent (20%) of the ownership interest, or any Control Person of a trust or other entity holding more than twenty percent (20%) of the ownership interest, 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. An assignment under this Section including, without limitation, transfer by devise or inheritance, will be subject to all of the terms and conditions contained in Section XV of this Franchise Agreement, and unless transferred by gift, devise or inheritance, subject to Franchisor's right of first refusal. 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 an Owner of more than twenty percent (20%) of the ownership interest in a business entity from supervising the operation of the FBC Business for a period of six months from the onset of such disability, impairment or condition.

I. *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.

J. *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, any Owner of more than twenty percent (20%) of the ownership interest, or any Control Person of a trust or other entity holding more than twenty percent (20%) of the ownership interest in Franchisee; 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; (iii) Franchisee will pay to Franchisor a management fee of $200 per day for up to 120 consecutive days at a time ("Management Fee") and reimburse Franchisor for all expenses of Franchisor for travel, lodging, meals and other out-of-pocket expenses incurred in connection with exercising such Step-In Rights; (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 by Franchisor, Franchisor's representatives or the Interim Manager in connection with exercising the Step-In Rights; and (vi) 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 a 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, but not limited to electronic media (including through the use of text prompts of artificial intelligence ("AI") tools), written form, or other tangible forms; 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 a Confidential Information Breach, Franchisee will notify Franchisor without undue delay and in any event within three business days of Franchisee's becoming aware of such Confidential Information Breach. Unless and excepting the extent to which Franchisor is responsible for such Confidential Information Breach, Franchisee will be responsible for any and all direct and indirect costs incurred by Franchisor as a result of such Confidential Information Breach.

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) a 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 assignee.

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.E.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, time cards, 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 will be obligated to perform the delegated functions for Franchisee in compliance with this Franchise Agreement

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, effects a plan or other arrangement with creditors, 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.

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 supersede as 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 10 days after having received notification of noncompliance from Franchisor or any governmental or quasi-governmental agency or authority, to comply with any federal, state or local law or regulation applicable 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 an action resulting in: (i) Franchisor curing a material default of Franchisee of any agreement with a third party including Franchisee's suppliers, vendors, landlord or lender(s); or (ii) any party with which Franchisor has a contractual relationship requiring Franchisor to purchase Franchisee's inventory, supplies, furnishings, fixtures or equipment. Failure of Franchisee to make timely payments under any financing agreement as disclosed in Item 10 of Franchisor's franchise disclosure document.

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 Revenue 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 assignment, 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. *Failure to Comply with Governmental Regulation*

Franchisee fails, for a period of ten days after notification of non-compliance, to comply with any federal, state or local law, rule or regulation applicable to the operation of the franchise.

18. *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.

19. Brand Covenants

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

20. 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. *Termination with Notice and Opportunity to Cure*

In addition to Franchisor's termination rights, Franchisor may, in its sole discretion, in addition to all remedies that Franchisor has available to it at law or in equity, 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 XVIII.A. or XVIII.B. above (including any failure to comply with the Brand Standards Manuals) 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. Notwithstanding the forgoing, if the default is of such a nature that more than 30 days are reasonably required to effect a cure. In such event, 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.

D. *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.

E. *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 Cooperative 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.

F. *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 a FBC Business, and shall cease use of all proprietary property of Franchisor including, but not limited to, the Proprietary Marks; (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 the termination, expiration or non-renewal of this Franchise Agreement Franchisor shall have the option, but not the obligation, to assume Franchisee's rights and interest in and to all Membership Agreements of the Franchised Business in accordance with Attachment B to his Franchise Agreement by delivering Franchisee written notice of election within 30 days after such termination, expiration or non-renewal.

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 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. *Purchase Option*

Upon the termination, expiration or non-renewal of this Franchise Agreement for any reason, Franchisor will have the right but not the obligation to purchase from Franchisee some or all of the assets used in the FBC Business ("Acquired Assets"). Franchisor may exercise its option to begin this process by giving written notice to Franchisee at any time following termination, expiration or non-renewal up until 30 days after the later of: (a) the effective date of termination, expiration or non-renewal; or (b) the date Franchisee ceases operating the FBC Business (the "Specified Date"). Franchisor has the right to inspect the assets used in the FBC Business in order to determine which Franchisor wishes to acquire and any refusal by Franchisee to cooperate with Franchisor's right to inspect will extend the Specified Date by an equal period. The term "Acquired 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 are not included within the definition of "Acquired 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 will have the unrestricted right to assign this option to purchase the Acquired Assets. Franchisor or its assignee will be entitled to all customary representations and warranties, including that the Acquired 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 us or affecting the Acquired Assets, whether contingent or otherwise.

The purchase price for the Acquired Assets ("Purchase Price") will be their book value (or, for leased assets, the book value of the lease), determined as of the Specified Date in a manner that accounts for reasonable depreciation and condition of the Acquired Assets; provided, however, that the Purchase Price will take into account the termination of this Franchise Agreement. The Purchase Price for the Acquired Assets will not contain any factor or increment for any trademark, service mark or other commercial symbol used in connection with the operation of the FBC Business nor any goodwill or "going concern" value for the FBC Business. Franchisor may exclude from the Acquired Assets purchased in accordance with this Section any equipment, boats, vessels, furnishings, fixtures, signs, and inventory that are not accepted as meeting then-current standards for a FBC Business or for which Franchisee cannot deliver a Bill of Sale in a form satisfactory to Franchisor.

Within 10 days after the Purchase Price has been determined, Franchisor may fully exercise its option to purchase the Acquired Assets by so notifying Franchisee in writing ("Purchase Notice"). The Purchase Price will be paid in cash or cash equivalents at the closing of the purchase ("Closing"), which will take place no later than 60 days after the date of the Purchase Notice. From the date of the Purchase Notice until Closing:

Franchisee will operate the FBC Business and maintain the Acquired Assets in the usual and ordinary course of business and maintain in full force all insurance policies required under this Franchise Agreement, and during such time, Franchisor may exercise Step-in Rights, and be entitled to the Management Fee.

For a period of 30 days after the date of the Purchase Notice ("Due Diligence Period"), Franchisor will have the right to conduct such investigations as Franchisor deems necessary and appropriate. Franchisee will grant Franchisor and its representatives access to the FBC Business and the Franchised Location at all reasonable times for the purpose of conducting inspections of the Acquired Assets; provided that such access does not unreasonably interfere with operations of the FBC Business.

Prior to the end of the Due Diligence 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 Fixed Assets, Franchisor will have the option to either accept the condition of the Acquired Assets as they exist or rescind its option to purchase on or before the Closing.

Franchisor will have the right to set off against and reduce the Purchase Price by any and all amounts owed by Franchisee to Franchisor or its affiliates, and the amount of any encumbrances or liens against the Acquired Assets or any obligations assumed by Franchisor. If Franchisee cannot deliver clear title to all of the purchased Acquired Assets as indicated in this Section, or if there are other unresolved issues, the Closing will be accomplished through an escrow.

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.

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 sent by 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
897 E. Venice Avenue
Venice, FL 34285-7038

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. *Notice by Telegram or Facsimile*

In the case of any notice required to be given by Franchisor to Franchisee, telegraphic notice or facsimile transmission, with delivery verified, shall be sufficient notice hereunder.

D. *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 for 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 prior to 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 either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) because of a written declaration by Franchisor. 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 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"). 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.

E. Despite the provisions of this Section, to protect from 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 pertaining to or arising out of any warranty issued;

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

4. 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 with or claiming through, on behalf of or in the right of Franchisee include but are not limited to, 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.C and XXIII.E. The parties expressly consent to personal jurisdiction in the State of Florida and agree that such court(s) will have exclusive jurisdiction over any determination of the "prevailing party" and under such issues not subject to arbitration.

3. Except for claims excluded from mediation and arbitration herein, 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. Subject to the provisions in Section XXIII.C and XXIII.E, each party shall bear its own costs of arbitration; however, the fees of the arbitrator 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 in the city nearest to Franchisor's principal place of business (currently Venice, Florida) and where the arbitration took place. 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 Person 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 Person 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 Franchisor's 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 injunctive relief without the posting of any bond or security to obtain the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Franchise Agreement. 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.

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. *Execution by Franchisor*

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 a 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 Franchise, 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 fulfilment of or failure to fulfil 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 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 day and year first above written.

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. **Franchise Owner**. The Franchise Owner 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.

(Remainder of page intentionally left blank. Signatures to follow.)

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 APPROVAL 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. The FBC Location as referenced in the Franchise Agreement shall be as follows:

_____

_____

_____

FRANCHISOR:

FREEDOM FRANCHISE SYSTEMS, LLC

By: _____

Title: _____

Date: _____

FRANCHISEE:

_____

By: _____

Title: _____

Date: _____

ATTACHMENT "B"
TO THE FREEDOM BOAT CLUB FRANCHISE AGREEMENT

MEMBER CONTRACT ASSIGNMENT AGREEMENT

As a condition to the execution by Freedom Franchise Systems, LLC, a Florida limited liability company ("Franchisor"), of a that certain franchise agreement ("Franchise Agreement") of even date with _____ ("Franchisee") Franchisee agrees to enter into this Member Contract Assignment Agreement ("MCAA"). 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.

BACKGROUND:

WHEREAS, Franchisor has developed and owns the proprietary system ("System") for the operation of a boat membership club under the trademark and logo "Freedom Boat Club" (the "Club");

WHEREAS, Franchisor granted Franchisee a franchise to operate a Club pursuant to the Franchise Agreement and in accordance with the System;

WHEREAS, during the term of the franchise, Franchisee will enter into membership agreements with Club members permitting them access to the Club's boats and vessels ("Membership Agreements") in accordance with the system; and

WHEREAS, as a condition to the execution of the Franchise Agreement, Franchisor requires that Franchisee collaterally assign all of its right, title and interest in the Membership Agreements to Franchisor upon expiration (without renewal) or termination of the Franchise Agreement.

AGREEMENT

In consideration of the foregoing, the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Recitals. The forgoing Recitals are hereby incorporated into the terms of this MCAA.

2. Assignment. Upon expiration, non-renewal or any termination of the Franchise Agreement, and to secure continuity and stability of Club operations, Franchisee hereby sells, assigns, transfers and conveys to Franchisor all of its rights, title and interest in and to all Membership Agreements; provided, however, such assignment will not be effective unless and until the Franchise Agreement has expired or is terminated in accordance with the provisions thereof and Franchisor has delivered to Franchisee written notice of its acceptance of the assignment. Upon such assignment, Franchisor will assume no liability for monies owed or other liabilities relating to the Membership Agreements that have accrued prior to the effective date of the assignment.

3. Representation and Warranties of the Franchisee. Franchisee hereby represents, warrants and covenants to Franchisor that: (a) as of the effective date of the Assignment, all of Franchisee's obligations under the Membership Agreements have been satisfied; (b) as of the date hereof, Franchisee has full power and legal right to enter into, execute, deliver and perform this MCAA; (c) this MCAA is a legal and binding obligation of Franchisee, enforceable in accordance with the terms hereof; (d) The execution, delivery and performance of this MCAA does not conflict with, violate, breach or constitute a

default under any contract, agreement or instrument to which Franchisee is a party or by which Franchisee is bound, and no consent of nor approval by any third party is required in connection herewith; and (e) Franchisee has the specific power to assign and transfer its right, title and interest in its Membership Agreements and Franchisee has obtained all necessary consents to this MCAA.

4. Cancellation. Notwithstanding the foregoing, Franchisor may, in its sole discretion and at any time prior to effectiveness of the assignment, declare this MCAA and the assignment contemplated hereunder null and void.

5. Miscellaneous. The validity, construction and performance of this MCAA is governed by the laws of the State of Florida. All agreements, covenants, representations and warranties made herein will survive the execution hereof. All rights of Franchisor inure to its benefit and to the benefit of its successors and assigns.

IN WITNESS WHEREOF, each of the parties has executed this MCAA as of the Effective Date of the Franchise Agreement.

FRANCHISOR:

FREEDOM FRANCHISE SYSTEMS, LLC

By: _____

Title: _____

FRANCHISEE:

_____

By: _____

Title: _____

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 _____. Franchise 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:

Name of Person	Position(s) Held

3. Owners. The following list includes the full name and mailing address of each person 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.)

Owner's Name and Address	Description of Interest and Percentage Owned

*If any members, stockholders, or partners are entities, please list the 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: _____. Franchisee may not change the Operating Principal without Franchisor's prior written approval.

This form is current and complete as of _____, 202___.

OWNER:

INDIVIDUALS:

_____
[Signature]

Printed Name: _____

_____
[Signature]

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. Guarantee.

4.1 Payment. Owners will pay us (or cause us to be paid) all monies payable by Franchisee under the Franchise Agreement 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 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 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.

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 material 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
897 E. Venice Avenue
Venice, FL 34285-7038

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 on following page)

IN WITNESS WHEREOF, the parties have entered into this Owners Agreement as of the effective date of the Franchise Agreement.

OWNERS:

[Insert Name of Owner]	[Insert Name of Spouse]
[Insert Name of Owner]	[Insert Name of Spouse]
[Insert Name of Owner]	[Insert Name of Spouse]
[Insert Name of Owner]	[Insert Name of Spouse]

Rev. 121319

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

Version 1.0

Revised July 2022

This data is internal to Brunswick.

Freedom Boat Club
FRANCHISE OPERATIONS MANUAL

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This data is internal to Brunswick.

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This data is internal to Brunswick.

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This data is internal to Brunswick.

EXHIBIT D

FINANCIAL STATEMENTS

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

Freedom Franchise Systems LLC
Balance Sheet
As of April 1, 2023

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04/26/2023
Accrual Basis

	Apr 1, 23
ASSETS	
Current Assets	
Checking/Savings	
10700 · Chase-0799	-67,100.00
Total Checking/Savings	-67,100.00
Accounts Receivable	
10800 · Accounts Receivable	972,228.82
Total Accounts Receivable	972,228.82
Other Current Assets	
12000 · Undeposited Funds	14,147.20
1850 · Other Receivables	100,000.00
1860 · Intercompany	-649,127.85
Total Other Current Assets	-534,980.65
Total Current Assets	370,148.17
Fixed Assets	
1706 · Intangibles-Software	
1707 · Accum. Dep. - Intangibles	-3,545,645.54
1706 · Intangibles-Software - Other	10,200,508.50
Total 1706 · Intangibles-Software	6,654,862.96
Total Fixed Assets	6,654,862.96
Other Assets	
1880 · Brand Building Fund	
1881 · BBF-Franchise Contribution	-143,677.21
1882 · BBF-FBC Contribution	-67,672.10
1880 · Brand Building Fund - Other	8,333.00
Total 1880 · Brand Building Fund	-203,016.31
1810 · Prepaid Insurance	8,282.76
1830 · Prepaid Expenses	584,477.61
Total Other Assets	389,744.06
TOTAL ASSETS	**7,414,755.19**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2050 · Accounts Payable	112,389.89
Total Accounts Payable	112,389.89
Other Current Liabilities	
2441 · Intercompany-Fanautic 853	7,440.00
2440 · Intercompany-FBC UK 851	6,490.48
2433 · Intercompany-BBG	4,147.99
2439 · Intercompany-EMEA	223,782.83
2434 · Intercompany-BA Management	5,732.89

This data is internal to Brunswick.

	Apr 1, 23
2435 · Intercompany-BrunswickCorporate	-1,127,781.48
2040 · Accrued Expenses	281,249.90
Total Other Current Liabilities	-598,937.39
Total Current Liabilities	-486,547.50
Total Liabilities	-486,547.50
Equity	
Retained Earnings	6,574,806.76
2798 · Paid in Capital	1,690,968.92
Net Income	-364,472.99
Total Equity	7,901,302.69
TOTAL LIABILITIES & EQUITY	7,414,755.19

This data is internal to Brunswick.

Freedom Franchise Systems LLC

Profit & Loss

January 1 through April 1, 2023

4:34 PM
04/26/2023
Accrual Basis

	Jan 1 - Apr 1, 23
Ordinary Income/Expense	
Income	
312000 · Franchise Sales - New	130,000.00
302001 · Franchise Sales - Renewal Fees	50,000.00
312500 · Franchise Sales - Royalties	1,715,696.92
312600 · Late penalties & interest	200.00
312650 · Exchange Rate Expense	-38,968.82
312800 · Other Fees	1,539.89
330000 · Freedom Business Solutions	
330010 · FBS-Fleetio	31,842.11
330020 · FBS-PACE Program	3,288.93
Total 330000 · Freedom Business Solutions	35,131.04
320000 · Marketing Development Fund	
320100 · MDF-Franchise	0.00
320020 · MDF-FBC	0.00
Total 320000 · Marketing Development Fund	0.00
Total Income	1,893,599.03
Gross Profit	1,893,599.03
Expense	
520000 · Brand Building Fund Expenses	
525000 · BBF Expenses	24,999.00
526000 · BBF Reimbursement	-24,999.00
Total 520000 · Brand Building Fund Expenses	0.00
501000 · Commissions	2,000.00
510000 · Advertising & Marketing	
510015 · Photography/Video Services	92.85
513001 · Marketing-Events	
513002 · Franchise Conference	779,866.23
Total 513001 · Marketing-Events	779,866.23
Total 510000 · Advertising & Marketing	779,959.08
548001 · Insurance-001	12,424.11
551001 · Supplies	3.30
560001 · Office Expense-001	39.86
580000 · Depreciation	64,431.59
601000 · Accounting & Legal	-6,984.71
603500 · Consulting	22,697.01
604000 · Auto Gas & Repairs	340.12
607000 · Travel	16,192.66
610000 · Bank Charges	-20.00
612000 · Office Expense-002	250.79
613000 · Cr. Card Fees	30.00
614000 · Dues & Subscriptions	2,897.00

This data is internal to Brunswick.

	Jan 1 - Apr 1, 23
614600 · IT Expenses	
614620 · IT Software	75,499.72
614630 · IT Network	480.77
614640 · IT Digital Product	650,061.34
Total 614600 · IT Expenses	726,041.83
615000 · Meals & Entertainment	5,762.14
616000 · Postage/Shipping	7.85
623000 · Charitable Contributions	1,000.00
630000 · Salaries-Administration	
630050 · Admin PR Tax	37,872.66
630000 · Salaries-Administration - Other	329,916.25
Total 630000 · Salaries-Administration	367,788.91
631000 · Salaries-Marketing/Sales	
631050 · Payroll Tax	966.74
631000 · Salaries-Marketing/Sales - Other	15,110.82
Total 631000 · Salaries-Marketing/Sales	16,077.56
635000 · Bonus Expense	41,332.92
Total Expense	2,052,272.02
Net Ordinary Income	-158,672.99
Other Income/Expense	
Other Expense	
910500 · Ex Items - Hurricane Ian	22,200.00
902500 · Ex Items - IT Expense	183,600.00
Total Other Expense	205,800.00
Net Other Income	-205,800.00
Net Income	**-364,472.99**

This data is internal to Brunswick.

Freedom Franchise Systems, LLC

Financial Statements
December 31, 2022 and 2021

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RG CPA, LLC
133 HARBOR DR S
VENICE, FL 34285

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, 2022, 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, 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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.

RG CPA, LLC

RG CPA, LLC

Venice, Florida

April 21, 2023

Freedom Franchise Systems, LLC
(a Florida limited liability company)

Balance Sheets
December 31, 2022 and 2021

ASSETS

	2022	2021
Current assets:		
Cash and cash equivalents	$ 24,248	$ 1,144,169
Accounts receivable, net	969,286	928,498
Total current assets	993,534	2,072,667
Property and equipment:		
Assets not in service	6,471,086	215,346
Machinery and equipment	8,121	-
Less: Accumulated depreciation	-	-
Net property and equipment	6,479,207	215,346
Intagible Assets:		
Software	3,481,214	3,481,214
Less: Accumulated Amortization	(3,481,214)	(3,481,214)
Net Intangible Assets	-	-
Other assets:		
Intercompany	1,403,347	3,952,484
Prepaid Insurance/Expenses	350,672	68,560
Total other assets	1,754,019	4,021,044
Total assets	$ 9,226,760	$ 6,309,057

LIABILITIES AND EQUITY

Current liabilities:		
Accounts payable	$ 736,933	$ 383,914
Other payables	15,805	15,805
Accrued Expenses	205,539	35,000
Total current liabilities	958,277	434,719
Equity	8,268,483	5,874,338
Total liabilities and equity	$ 9,226,760	$ 6,309,057

See accompanying notes to financial Statements

Freedom Franchise Systems, LLC
(a Florida limited liability company)

Statement of Operation and Equity
Years Ended December 31, 2022 and 2021

	2022	2021
Royalties	$ 7,882,948	$ 7,923,208
Franchise fees	350,975	461,128
Other	163,000	105,986
Operating income	8,396,923	8,490,322
Expenses:		
Salaries, wages and payroll taxes	1,696,412	1,741,796
Commissions	57,695	78,938
Advertising	7,180	244,082
Marketing and events	25,623	511,180
Travel	130,421	62,065
Meals and entertainment	36,233	29,168
Depreciation and amortization	-	1,017,326
Professional fees	363,735	406,491
Office and administration	63,455	1,156,194
Consulting and management svc	123,069	165,981
Contributions	-	5,000
Dues and subscriptions	13,459	8,628
IT Expenses	2,461,670	-
Total expenses	$ 4,978,952	$ 5,426,849
Income from operations before taxes	3,417,971	3,063,473
Income taxes	(877,882)	(406,600)
Net Income from operations	$ 2,540,089	$ 2,656,873
Asset write off	-	(1,292,070)
Territory adjustment	-	(152,000)
Hurricane Ian Expenses	(158,500)	-
FX Transaction Gain/(Loss)	12,556	-
Equity, beginning	5,874,338	4,661,535
Equity, ending	$ 8,268,483	$ 5,874,338

See accompanying notes to financial statements

Freedom Franchise Systems, LLC

(a Florida limited liability company)

Statements of Cash Flows

Years Ended December 31, 2022 and 2021

	2022	2021
OPERATING ACTIVITIES		
Net Income	$ 2,394,145	$ 1,212,803
Adjustments to reconcile Net Income to net cash provided by operations:		
Depreciation	-	2,309,396
Accounts Receivable	(40,788)	(487,420)
Other Receivables	-	107,500
Accounts Payable	353,019	377,407
Accrued Expenses	170,539	(37,182)
Prepaid Expenses	(282,112)	(25,889)
Prepaid Insurance	-	(6,726)
Net cash provided by Operating Activities	2,594,803	3,449,889
INVESTING ACTIVITIES		
Purchases of fixed assets	(8,121)	(722,414)
Territory Buy Back	-	152,000
Purchase close of intangible assets	(6,255,740)	-
Due from related party	2,549,137	10,500
Advances to related party	-	(2,127,106)
Net cash provided by Investing Activities	(3,714,724)	(2,687,020)
FINANCING ACTIVITIES		
Distributions to member	-	-
Net cash provided by Financing Activities	-	-
Net cash increase(decrease) for period	(1,119,921)	762,869
Cash at beginning of period	1,144,169	381,300
Cash at end of period	$ 24,248	$ 1,144,169

See accompanying notes to financial statements

Freedom Franchise Systems, LLC
(a Florida limited liability company)

Notes to the Financial Statements
December 31, 2022 and 2021

Note 1 – Organization and Nature of Operations:

Freedom Franchise Systems, LLC ("the Company"), was organized as a limited liability company under the laws of the state of Florida in February 2011 and commenced operations in March 2011. Freedom Franchise Systems, LLC is a franchisor selling boat club memberships through franchisees. As of December 31, 2022, a total of 352 locations were in operation, 112 company-owned and 240 franchised.

Freedom Franchise Systems, LLC parent company Freedom Outdoor Delaware, LLC ("FOD") was purchased ("Purchase") on May 21, 2020 by Brunswick Boat Club Holdings, Inc., a subsidiary of Brunswick Corporation ("Brunswick"), the producer of Mercury Marine engines, Boston Whaler boats, Sea Ray boats and other boat, parts and accessory brands and companies. Brunswick purchased the entire equity interests in FOD, along with all of its subsidiaries including Boat Club, Marine Sales, FBCNC, FBCSC, SEFL and FRV entities as shown in Note 3. FBCNC ceased operations and was dissolved August 24, 2020. FRV has ceased operations and since been renamed Freedom Business Services, LLC effective August 26, 2020.

Note 2 – Summary of Significant Accounting Policies:

Basic of Presentation
The financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity. The accounting policies conform to accounting principles generally accepted in the United States of America.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents
The Company considers all highly liquid investments, with a maturity of 90 days or less when purchased, to be cash equivalents. The Company maintains its cash and cash equivalents at a financial institution, in amounts which at times may exceed federal insurance limits. The Company has not experienced any losses in such accounts. The company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Concentration of Credit Risk
The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and trade accounts receivable. The Company places its cash with high credit quality financial institutions. At times such investments may be in excess of the FDIC insurance limit. The Company routinely assesses the financial strength of its customers and, as a consequence, believes that its trade accounts receivable credit risk exposure is limited.

Note 2 – Summary of Significant Accounting Policies – Continued:

Revenue Recognition
The Company's revenue consists of royalty revenue, franchise fees and other income. Royalties collected as a percentage of net sales of the franchise are recognized when earned which is the same period as the related franchise location revenue. Franchise fees are recognized as revenue when all material services or conditions have been substantially performed or satisfied and the Company satisfies the performance obligation, which is typically when the franchise begins operations.

ADOPTION OF NEW ACCOUNTING STANDARD In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014- 09, "Revenue from Contracts with Customers (Topic 606)". The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Company adopted the new standard effective, January 1, 2020, the first day of the Company's fiscal year using the modified retrospective approach. As part of the adoption of the ASU, the Company elected the following transition practical expedients: (i) to reflect the aggregate of all contract modifications that occurred prior to the date of initial application when identifying satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price; and (ii) to apply the standard only to contracts that are not completed at the initial date of application. Because contract modifications are minimal, there is not a significant impact as a result of electing these practical expedients.
The adoption did not result in any material changes to the financial statements.

The allocation of the initial franchise fee is as follows:

Initial Franchise Fee Recognition Analysis	
Initial Franchise Fee	$ 50,000
First Year Cost Estimate	
Cost of Sale Research/Site Visit	2,500
Discovery Day Costs	5,000
Legal Prep of Documents	5,000
FDM Commission	1,000
Initial Marketing Package	1,500
Total Training Costs	10,000
Fleet Selection Training	500
Total On-Site Training Costs	7,500
On-going First Year Training	2,500
Franchise Conference ($1500 per x 4)	6,000
Total First Year Cost Estimate	**$ 41,500**

Accounts Receivable
Accounts receivable consist of amounts due from franchisees under the terms of the franchise agreements. The Company routinely reviews all accounts receivable outstanding and assesses collectability based on aging and payment history of each customer. As a result of this review, an allowance of $0 was considered necessary as of December 31, 2022 and there was an allowance of $0 for 2021.

Income Taxes
Freedom Franchise Systems, LLC, with the consent of its member, has elected under the Internal Revenue Code to be treated as a subchapter S corporation for federal income tax purposes. However, there is a provision for income taxes, the members of the Freedom Group (and now Brunswick) share federal and state income tax expense. Allocations of these taxes are made to each company based on income. The 2022 and 2021 income tax amounts have been included in the audited financial statements.

Management has evaluated the effect of an accounting standard relating to accounting for uncertainty in income taxes. Management has determined that the Company had no uncertain income tax positions that could have a significant effect on the financial statements as of December 31, 2022. The Company's federal income tax return for the year ended December 31, 2019 is subject to examination by the Internal Revenue Service, generally for three years after the federal income tax returns were filed.

Property and Equipment
Property and equipment are stated at cost. Major additions and betterments are capitalized while replacements, maintenance or repairs which do not improve or extend the lives of the respective assets are expensed in the year incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets of three or five years.

Note 3 – Related Party Transactions:

From January 1 through May 21, 2019, the Company was affiliated with the following companies as a result of direct and common ownership: Freedom Outdoor Adventures, LLC ("Adventures"), Freedom Boat Club, LLC ("Boat Club"), Freedom Marine Sales, LLC ("Marine Sales") (collectively known as the "Freedom Group"), Freedom Boat Club NC, LLC ("FBCNC), Freedom Boat Club SC, LLC ("FBCSC"), Freedom Boat Club SEFL, LLC ("SEFL"), Freedom RVing, LLC ("FRV"), Gulf View Marina Holdings, LLC ("GVMH"), Ainger Creek Marina Holdings ("Ainger"), Naples Marina Holdings, LLC ("NMH"), Gulfview Yacht Sales and Charters, LLC ("GYSC"), 998 Laguna, LLC ("998"), and Marco Marina Holdings, LLC ("MMH"). From May 2019 through December 31, 2020, the Company was affiliated with Boat Club, Marine Sales, FBCNC, FBCSC, SEFL, FRV and Brunswick. See Note 1.

FBCNC was formed in 2016 as a boat club operating company to operate the former franchise location in Jordan Lake, NC. In November 2016, the Company purchased certain named assets from the former franchise owner and converted the location into a franchisor company owned and operated location, the entity was then dissolved Aug 24,2020. FBCSC was formed in 2017 and owned the majority interest in Palmetto Boat Club, LLC ("Palmetto"), a South Carolina entity that owned the franchise agreement for the Charleston and Kiawah Island, SC areas. The other minority owners in Palmetto were the former sole franchisee in the territory and the current owners of the North Myrtle Beach/"Grand Strand" areas of the South and North Carolina coastlines. FBSCS was dissolved effective September 1st 2020 when Brunswick became the sole member of Palmetto via an acquisition transaction with minority owners. Palmetto continues to operate a company in the greater Charleston area. SEFL was formed in 2018 as a boat club operating company, starting operations in Dade County, FL. FRV was formed in 2018 to expand the club model into the thriving recreational vehicle space. FRV ceased operations of the RV business in 2019 and was named Freedom Business Services, LLC ("FBS") on August 26, 2020. FBS creates relationships between franchisees and business related vendors.

The members of the Freedom Group (and now Brunswick) share certain administrative costs and personnel. Allocations of these costs are made to each company based on estimated usage of administrative services. The Company advanced funds to the Boat Club for various operating costs. As of December 31, 2022, and 2021, the Company is due $1,403,347 and $3,952,484 respectively. There are no stated terms for repayment.

Note 4 – Subsequent Events:

Subsequent events have been evaluated through April 19, 2023, which is the date the financial statements were available to be issued.

Freedom Franchise Systems, LLC

Financial Statements
December 31, 2021 and 2020

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RGR CPA, LLC

Certified Public Accountants
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Venice, Florida 34285
Tel: 941.488.7794
Fax: 941.488.1718

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, 2021, 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, 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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.

RGR CPA, LLC

RGR CPA LLC

Venice, Florida

April 20, 2022

Freedom Franchise Systems, LLC
(a Florida limited liability company)

Balance Sheets
December 31, 2021 and 2020

ASSETS

	2021	2020
Current assets:		
Cash and cash equivalents	$ 1,144,169	$ 381,300
Accounts receivable, net	928,498	441,077
Total current assets	2,072,667	822,377
Property and equipment:		
Assets not in service	215,346	64,225
Furniture and equipment	3,481,214	2,909,921
Less: Accumulated depreciation	(3,481,214)	(1,171,818)
Net property and equipment	215,346	1,802,327
Other assets:		
Territory Buy Back	-	152,000
Due from related party	-	10,500
Other Receivables	-	107,500
Intercompany	3,952,484	2,977,648
Prepaid Insurance/Expenses	68,560	35,946
Total other assets	4,021,044	3,283,594
Total assets	$ 6,309,057	$ 5,908,298

LIABILITIES AND EQUITY

Current liabilities:		
Accounts payable	$ 383,914	$ 6,507
Other payables	15,805	15,805
Due to Franchise - Territory Buy Back	-	-
Due to Related Party	-	1,152,270
Accrued Expenses	35,000	72,181
Total current liabilities	434,719	1,246,763
Equity	5,874,338	2,318,279
Total liabilities and equity	$ 6,309,057	$ 3,565,043

See accompanying notes to financial statements.

Freedom Franchise Systems, LLC
(a Florida limited liability company)

Statements of Operations and Equity
Years Ended December 31, 2021 and 2020

	2021	2020
Royalties	$ 7,923,208	$ 5,811,192
Franchise fees	461,128	271,989
Other	105,986	53,000
Operating income	8,490,322	6,136,181
Expenses:		
Salaries, wages and payroll taxes	1,741,796	1,010,802
Commissions	78,938	51,926
Advertising	244,082	13,581
Marketing and events	511,180	235,256
Travel	62,065	37,616
Meals and entertainment	29,168	22,895
Depreciation and amortization	1,017,326	838,224
Professional fees	406,491	266,485
Office and administration	1,156,194	188,403
Consulting and management svc	165,981	357,320
Franchise Training	5,000	-
Dues and subscriptions	8,628	19,728
Total expenses	$ 5,426,849	$ 3,042,236
Income from operations before taxes	3,063,473	3,093,946
Income taxes	(406,600)	(662,718)
Net Income from operations	$ 2,656,873	$ 2,431,228
Asset write off	(1,292,070)	
Paid in capital -Intangible valuation	-	12,028
Territory adjustment	(152,000)	(100,000)
Equity, beginning	4,661,535	2,318,279
Equity, ending	$ 5,874,338	$ 4,661,535

See accompanying notes to financial statements.

Freedom Franchise Systems, LLC
(a Florida limited liability company)

Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	2021	2020
OPERATING ACTIVITIES		
Net Income	$ 1,212,802	$ 2,431,228
Adjustments to reconcile Net Income to net cash provided by operations:		
Depreciation	2,309,396	838,224
Accounts Receivable	(487,420)	38,745
Other Receivables	107,500	(107,500)
Accrued Taxes		
Accounts Payable	377,407	(19,157)
Other Payables	-	(41,734)
Accrued Expenses	(37,181)	12,181
Prepaid Expenses	(25,889)	(16,923)
Prepaid Insurance	(6,726)	(2,312)
Net cash provided by Operating Activities	3,449,889	3,132,752
INVESTING ACTIVITIES		
Purchases of fixed assets	(722,414)	(1,558,595)
Territory Buy Back	152,000	-
Reclass Accumulated Dep/Amort	-	-
Purchase close of intangible assets	-	-
Due from related party	10,500	27,000
Advances to related party	(2,127,106)	(1,513,383)
Net cash provided by Investing Activities	(2,687,020)	(3,044,977)
FINANCING ACTIVITIES		
Distributions to member	-	-
Paid in capital-Intangible valuation	-	(87,972)
Net cash provided by Financing Activities	-	(87,972)
Net cash increase(decrease) for period	762,869	(198)
Cash at beginning of period	381,300	381,498
Cash at end of period	$ 1,144,169	$ 381,300

See accompanying notes to financial statements.

Freedom Franchise Systems, LLC
(a Florida limited liability company)

Notes to the Financial Statements
December 31, 2021 and 2020

Note 1 – Organization and Nature of Operations:

Freedom Franchise Systems, LLC ("the Company"), was organized as a limited liability company under the laws of the state of Florida in February 2011 and commenced operations in March 2011. Freedom Franchise Systems, LLC is a franchisor selling boat club memberships through franchisees. As of December 31, 2021, a total of 301 locations were in operation, 57 company-owned and 244 franchised.

Freedom Franchise Systems, LLC parent company Freedom Outdoor Delaware, LLC ("FOD") was purchased ("Purchase") on May 21, 2020 by Brunswick Boat Club Holdings, Inc., a subsidiary of Brunswick Corporation ("Brunswick"), the producer of Mercury Marine engines, Boston Whaler boats, Serai boats and other boat, parts and accessory brands and companies. Brunswick purchased the entire equity interests in FOD, along with all of its subsidiary including Boat Club, Marine Sales, FBCNC, FBCSC, SEFL and FRV entities as shown in Note 3.

Note 2 – Summary of Significant Accounting Policies:

Basic of Presentation
The financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity. The accounting policies conform to accounting principles generally accepted in the United States of America.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents
The Company considers all highly liquid investments, with a maturity of 90 days or less when purchased, to be cash equivalents. The Company maintains its cash and cash equivalents at a financial institution, in amounts which at times may exceed federal insurance limits. The Company has not experienced any losses in such accounts. The company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Concentration of Credit Risk
The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and trade accounts receivable. The Company places its cash with high credit quality financial institutions. At times such investments may be in excess of the FDIC insurance limit. The Company routinely assesses the financial strength of its customers and, as a consequence, believes that its trade accounts receivable credit risk exposure is limited.

Note 2 – Summary of Significant Accounting Policies – Continued:

Revenue Recognition
The Company's revenue consists of royalty revenue, franchise fees and other income. Royalties collected as a percentage of net sales of the franchise are recognized when earned which is the same period as the related franchise location revenue. Franchise fees are recognized as revenue when all material services or conditions have been substantially performed or satisfied and the Company satisfies the performance obligation, which is typically when the franchise begins operations.

ADOPTION OF NEW ACCOUNTING STANDARD In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014- 09, "Revenue from Contracts with Customers (Topic 606)". The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Company adopted the new standard effective, January 1, 2020 the first day of the Company's fiscal year using the modified retrospective approach. As part of the adoption of the ASU, the Company elected the following transition practical expedients: (i) to reflect the aggregate of all contract modifications that occurred prior to the date of initial application when identifying satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price; and (ii) to apply the standard only to contracts that are not completed at the initial date of application. Because contract modifications are minimal, there is not a significant impact as a result of electing these practical expedients.
The adoption did not result in any material changes to the financial statements.

The allocation of the initial franchise fee is as follows:

Initial Franchise Fee Recognition Analysis	
Initial Franchise Fee	38,000.00
First Year Cost Estimate	
Cost of Sale Research/Site Visit	1,746.92
Discovery Day Costs	3,168.08
Legal Prep of Documents	5,000.00
FDM Commission	5,700.00
Initial Marketing Package (Boat Show Signage and Booth Items, Shirts, Charts, etc.)	2,700.00
Total Training Costs	6,811.54
Fleet Selection Training	288.46
Total On-site Training Costs	4,929.62
First Boat Show Attendance	3,423.08
On-going first-year training	1,442.31
Franchise Conference ($750 per X 4)	2,000.00
Sales & Ops Conference ($250 per X 4)	1,000.00
Total First Year Cost Estimate	38,210.00

Accounts Receivable
Accounts receivable consist of amounts due from franchisees under the terms of the franchise agreements. The Company routinely reviews all accounts receivable outstanding and assesses collectability based on aging and payment history of each customer. As a result of this review, an allowance of $0 was considered necessary as of December 31, 2021 and there was an allowance of $0 for 2020.

Income Taxes
Freedom Franchise Systems, LLC, with the consent of its member, has elected under the Internal Revenue Code to be treated as a subchapter S corporation for federal income tax purposes. However, there is a provision for income taxes, the members of the Freedom Group (and now Brunswick) share federal and state income tax expense. Allocations of these taxes are made to each company based on income. The 2020 and 2021 income tax amounts have been included in the audited financial statements.

Management has evaluated the effect of an accounting standard relating to accounting for uncertainty in income taxes. Management has determined that the Company had no uncertain income tax positions that could have a significant effect on the financial statements as of December 31, 2021. The Company's federal income tax return for the year ended December 31, 2018 is subject to examination by the Internal Revenue Service, generally for three years after the federal income tax returns were filed.

Property and Equipment
Property and equipment are stated at cost. Major additions and betterments are capitalized while replacements, maintenance or repairs which do not improve or extend the lives of the respective assets are expensed in the year incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets of three or five years.

Advertising
Advertising and sales promotion costs are expensed as incurred. Advertising expense totaled $244,082 for the period ended December 31, 2021.

Note 3 – Related Party Transactions:

The members of the Freedom Group (and now Brunswick) share certain administrative costs and personnel. Allocations of these costs are made to each company based on estimated usage of administrative services. The Company advanced funds to the Boat Club for various operating costs. As of December 31, 2021, and 2020, the Company is due $3,952,484 and $2,977,648 respectively. There are no stated terms for repayment.

Note 4 Potential Lawsuit:

There is a possibility that the company may be subject to a legal claim. It is the opinion of management and management's counsel that the outcome will have a minimal, if any impact on the company. Since it presently is not possible to determine the outcome of these matters, no provision has been made in the financial statements for their ultimate resolution. In management's opinion the final resolution of all legal matters will not have a material adverse effect on the Company's financial position.

Note 5 – Subsequent Events:

Subsequent events have been evaluated through April 20, 2022, which is the date the financial statements were available to be issued.

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 Documents. 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 California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the Franchise be delivered together with the FDD.

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, and if applicable, the Supplemental Agreements may contain, provisions 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 or Supplemental Agreements restricting venue to a forum outside the State of California. The Franchise Agreement may contain a mediation provision. If so, 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 and Supplemental Agreements require 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 or Supplemental Agreements contain a provision that is inconsistent with the California Franchise Investment Law, the California Franchise Investment Law will control.

The Franchise Agreement and Supplemental Agreements may provide 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, and if applicable, the Supplemental Agreements may contain, 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 or Supplemental Agreements 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.

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.

The following risk factor is added to the Special Risks to Consider About *This* Franchise page:

Negative Equity. The franchisor's audited financial statements as of December 31, 2022 reflect negative total current liabilities of $958,277.

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

Sections 4 and 41 and Rule 608 of the Illinois Franchise Disclosure Act states that court litigation must take place before Illinois federal or state courts and all dispute resolution arising from the terms of this Agreement or the relationship of the parties and conducted through arbitration or litigation shall be subject to Illinois law. The FDD, Franchise Agreement and Supplemental Agreements are amended accordingly.

The governing law or choice of law clause described in the FDD and contained in the Franchise Agreement and Supplemental Agreements is not enforceable under Illinois law. This governing law clause shall not be construed to negate the application of Illinois law in all situations to which it is applicable.

Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void." The Franchise Agreement is amended accordingly. To the extent that the Franchise Agreement would otherwise violate Illinois law, such Agreement is amended by providing that all litigation by or between you and us, arising directly or indirectly from the Franchise relationship, will be commenced and maintained in the state courts of Illinois or, at our election, the United States District Court for Illinois, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements, and Illinois law will pertain to any claims arising under the Illinois Franchise Disclosure Act.

Item 17.v, Choice of Forum, of the FDD is revised to include the following: "provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act."

Item 17.w, Choice of Law, of the FDD is revised to include the following: "provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act".

The termination and non-renewal provisions in the Franchise Agreement and the FDD may not be enforceable under Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Under Section 705/27 of the Illinois Franchise Disclosure Act, no action for liability under the Illinois Franchise Disclosure Act can be maintained unless brought before the expiration of three (3) years after the act or transaction constituting the violation upon which it is based, the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to you of a written notice disclosing the violation, whichever shall first expire. To the extent that the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act, Illinois law will control and supersede any inconsistent provision(s).

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

See the last page of this Exhibit E for your required signature.

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, 897 E. Venice Avenue, Venice, FL 34285-7038, or send a fax to Freedom Franchise Systems, LLC at (941) 451-8766 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 EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR 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 statue, 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, 897 E. Venice Avenue, Venice, FL 34285
7038, FL 34285, or send a fax to Freedom Franchise Systems, LLC at (941) 451-8766 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

ADDENDUM TO FRANCHISE AGREEMENT, FRANCHISE DISCLOSURE QUESTIONNAIRE, AND FRANCHISE DISCLOSURE DOCUMENT

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

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 provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

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.

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.

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.

☐ California	☐ Michigan	☐ Rhode Island
☐ Hawaii	☐ Minnesota	☐ South Dakota
☐ Illinois	☐ New York	☐ Virginia
☐ Iowa	☐ North Dakota	☐ Washington
☐ Indiana	☐ Ohio	☐ Wisconsin
☐ Maryland		

Dated: _____, 20____

FRANCHISOR:

FREEDOM FRANCHISE SYSTEMS, LLC

By: _____

Title: _____

FRANCHISEE:

_____

_____

By: _____

Title: _____

Rev. 030123

EXHIBIT F

LIST OF CURRENT AND FORMER FRANCHISEES

Current Franchisees as of December 31, 2022:

Last Name	First Name	Entity Name	Address	City	State	Zip Code	Phone	Email
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	27844 Canal Road	Orange Beach	AL	36561	(208) 818-1005	ratkinson@freedomboatclub.com
Russell	Atkinson	Nautical Options, LLC	27267 Perdido Beach Blvd	Orange Beach	AL	36567	(601) 421-5181	ratkinson@freedomboatclub.com
Allison	Anderson	Arkansas Boat Club, LLC	4285 Hwy 330 S, Shirley AR 72153	Fairfield Bay	AR	72153	(501) 269-0113	allisonanderson@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	5901 Marina Road # 1	Discovery Bay	CA	94505	(209) 531-6996	rfassett@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
Rob	Fassett	RBF Marine Holdings	10 Washington Street	Oakland	CA	94607	(209) 531-6996	rfassett@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
Dan	Hasbrouck	Golden State Boats, Inc.	2630 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.	1450 Harbor Island Drive #100	San Diego	CA	92101	(619) 981-2628	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.	909 Pilottown Road	Lewes	DE	19958	(841) 937-6036	trosella@freedomboatclub.com

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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
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
Dan	Lund	Freedom Adventures, LLC	1755 SE 3rd Court	Deerfield Beach	FL	33441	(443) 994-0619	danlund@freedomboatclub.com
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Don	Spaeth	Fun in the Sun Boating, LLC	1700 N. 2nd St.	Ft. Pierce	FL	34950	(845) 489-2707	dspaeth@freedomboatclub.com
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Chris	Kelly	Life on the Water, Inc.	3705 Big Bass Rd,	Kissimmee	FL	34744	(321) 276-2988	ckelly@freedomboatclub.us
Dan	Lund	Freedom Adventures, LLC	870 North Federal Highway	Lantana	FL	32462	(443) 994-0619	danlund@freedomboatclub.com
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Chris	Kelly	Life on the Water, Inc.	8685 US Highway 1, Sebastian Inlet	Micco	FL	32976	(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
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Bill	Sheriff	M & B Boating Ventures, LLC	4027 Lavergne Couchville Pike	Antioch/Nashville	TN	37013	(239) 707-4687	bill.sheriff@freedomboatclub.com
Bill	Sheriff	M & B Boating Ventures, LLC	727 Marina Private Drive	Gallatin	TN	37066	(615) 483-1537	bill@wesheriffconsulting.com
Mariah	Lawrence	M & B Boating Ventures, LLC	956 Volunteer Landing	Knoxville	TN	37915	(865) 271-8714	mariah.lawrence@freedomboatclub.com
Mariah	Lawrence	M & B Boating Ventures, LLC	20500 Tennessee National Drive	Loudon	TN	37774	(865) 271-8714	Loudon-Tennessee-National@freedomboatclub.com

Last Name	First Name	Entity Name	Address	City	State	Zip Code	Phone	Email
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 Saundesrville Rd	Mt. Juliet/Nashville	TN	37122	(239) 707-4687	bill.sheriff@freedomboatclub.com
Bill	Sheriff	M & B Boating Ventures, LLC	2685 Casey Cove Rd	Smithville	TN	37166	(615) 548-4315	bill.sheriff@freedomboatclub.com
Bill	Sheriff	M & B Boating Ventures, LLC	450 Cove Hollow Circle	Smithville	TN	38569	(615) 478-2474	bill.sheriff@freedomboatclub.com
Bill	Sheriff	M & B Boating Ventures, LLC	175 Marina Lane	Winchester	TN	37398	(615) 483-1537	bill@wesheriffconsulting.com
Scott	Issacks	Smart Boat Club, LLC	5921 Hiline Road	Austin	TX	78734	(512) 565-0567	scott@freedomboatclub.com
Steven	Gordon	Gordon Group Design, LLC	13317 South Padre Island Drive	Corpus Christi	TX	78418	(713) 256-9146	steven.gordon@freedomboatclub.com
Scott	Issacks	Smart Boat Club, LLC	12405 River Bend	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 Melvelle 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
Andy	Sutter	SOVA Boat Club, LLC	15 Marina RD	Hampton	VA	23669	(757) 615-3783	asutter@freedomboatclub.com
Brenden	Dean	Parker Boat Club of Virginia, LLC	13721 Anna Point Lane	Mineral	VA	23117	(703) 988-5403	brenden.dean@freedomboatclub.com
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
Shawn	Ottenbreit	San Juan Boat Club LLC	1019 Q Ave	Anacortes	WA	98221	(833) 469-2628	sottenbreit@freedomboatclub.com

Last Name	First Name	Entity Name	Address	City	State	Zip Code	Phone	Email
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	2601 W. Marina Place	Seattle	WA	98199	(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	2500 Westlake Ave N.	Seattle	WA	98109	(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
Nick	Hooge	Victory Marine, LLC	821 Dock Street, PMB2-1	Tacoma	WA	98402	(833) 469-2628	nickh@freedomboatclub.com

Current International Franchisees as of December 31, 2022:

Last Name	First Name	Entity Name	Address	Phone	Email
Sandy	Purdon	Salish Sea Boat Club, Inc.	2300 Canoe Cove Road North Saanich BC, Canada V8L 3X9	(833) 469-2628	wpurdon@freedomboatclub.com
Sandy	Purdon	9602801 Canada Inc.	415 W. Esplanade North Vancouver BC, Canada V6X1Y1	(778) 995-6550	wpurdon@freedomboatclub.com
Randy	Gallagher	Summerland Boat Rentals, LTD	360 Sudbury Avenue Penticton BC, Canada V2A 3W5	(260) 486-3770	randy.gallagher@freedomboatclub.com
Sandy	Purdon	9602801 Canada Inc.	850 Barnett Hwy Port Moody (Vancouver) BC, Canada V3H 1V6	(778) 995-6550	wpurdon@freedomboatclub.com
Sandy	Purdon	Salish Sea Boat Club, Inc.	1327 Beach Drive Victoria BC, Canada V8S2N4	833-469-2628	wpurdon@freedomboatclub.com
Eric	Stanley	3314469 Nova Scotia Ltd.	465-31 Kings Wharf Pl Halifax NS, Canada NS B2Y 0C1	902-225-1464	estanley@freedomboatclub.com
Eric	Stanley	3314469 Nova Scotia Ltd.	148 Nautical Way Tantallon NS, Canada NS B3Z 2P3	902-225-1464	estanley@freedomboatclub.com

Last Name	First Name	Entity Name	Address	Phone	Email
Sterling	Brown	10890090 Canada Inc.	1753 Highway #2 East Kingston ON, Canada K7L 4V1	(613) 883-2696	sbown@freedomboatclub.com
Steven	McPherson	Boat Sharing Enterprises, LTD	3999 Friday Drive Innisfil ON, Canada L9S OJ7	315-783-3119	smcpherson@freedomboatclub.com
Sterling	Bown	10890090 Canada Inc.	2726 River Road Manotick ON, Canada K1S 1A3	(613) 371-2628	sbown@freedomboatclub.com
Steven	McPherson	Boat Sharing Enterprises, LTD	1 Port ST East Mississauga ON, Canada L5G 4N1	(315) 783-3119	smcpherson@freedomboatclub.com
Sterling	Bown	10890090 Canada Inc.	1009 Trim Road Ottawa ON, Canada K4A 3P4	613-371-2628	sbown@freedomboatclub.com
Steven	McPherson	Boat Sharing Enterprises, LTD	475 Unwin Ave Toronto ON, Canada M4M 3M2	(315) 783-3119	smcpherson@freedomboatclub.com
Celine	Bertin	SAS SYMABOAT	7 Avenue de la Jetée, Zone Technique Le Cap d'Agde Languedoc-Roussillon, France 34300	+33661356955	celine.bertin@freedomboatclub.fr
Patrick	Escoffier	PECOMP SAS	Le port de plaisance de Carnon 351 Quai Auguste Meynier Mauguio Languedoc-Roussillon, France 34170	33684503164	patrickesc@yahoo.com
Stéphane	Cayez	SAS Sea Services Solutions	14 Rue de la Trinquette La Rochelle Poitou-Charentes, France 17000	33546446825 06	scayez@freedomboatclub.fr
Grahame	Armer	Windermere Aquatic Limited (0022812)	Glebe Road Windermere Cumbria, UK LA23 3HE	44 15394 42121	gfa@AQW.uk
Jason	Bond	South West Boat Club Ltd	Unit 1, Beacon Quay Torquay Devon, UK TQ1 2BG	+447831428672	jason@birchellmarine.co.uk

Franchisees with Unopened Outlets as of December 31, 2022:

Last Name	First Name	Entity Name	Address	Phone	Email
Centeno	Misael	Simple Navegación LLC	4900 State Road 3 KM. 51.4 Fajardo, Puerto Rico 00738	860-833-4696	Mike.centeno@freedomboatclub.com
Lally	Michael	Lock Lomond Boat Club LLC	Marina Ardlui, Scotland, UKG83 7EB Glasgow, Lancashire UKG83 7EB United Kingdom	44-7772-994982	a.lally@fbclomond.co.uk
Sorensen	Jakob	43173820nr	Bøegelundsvej 32A Silkeborg, Arhus 86880 Denmark	4285-87255	jsorsensen@freedomboatclub.uk

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, 2022 to December 31, 2022, 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.

Name	Address	City	State	Zip Code	Phone	Email	Notes
Glenn Bergoffen	2437 Shoreline Drive	Palm Harbor	FL	34684	727-460-0068	glennbfla@gmail.com	FL: 30 (reacquired by Franchisor) FL: 2 (ceased operations)
Dan Lund	525 Inlet Rd, No Pa	Beach	FL	33408	443-994-0619	danlund@freedomboatclub.com	FL: 1 (ceased operations)
Bobby Parker	1017 Via Tuscany Oaks Way	Winter Park	FL	32789	407-913-4020	bparker@freedomboatclub.com	FL: 1 (ceased operations)
Russell Atkinson	N. Discovery Loop	Panama City	FL	32405	601-421-5181	ratkinson@freedomboatclub.com	FL: 1 (ceased operations)
Chris and Lisa Kelly	131 Riverside Drive	Cape Canaveral	FL	32920	Chris - 321-276-2988 Lisa 321-276-2984	ckelly@freedomboatclub.com lkelly@freedomboatclub.com	FL: 1 (ceased operations)
Grant & Sharon LeRoux	3455 Pinestream Rd	Atlanta	GA	30327	678-315-6521		GA: 2 (reacquired by Franchisor)
Allen Revak & Mike Jansen	Allen - 1281 Knob Creek Dr Mike - 1011 Shoals	Athens Athens	GA GA	30606 30606	Allen - 404-512-3620	Allen@eclipsemarina.com Mike@eclipsemarina.com	GA: 1 (reacquired by Franchisor) SC: 1 (reacquired by Franchisor)

Name	Address	City	State	Zip Code	Phone	Email	Notes
Colleen Graves, George Graves, Gunnar Graves	Colleen - Manhattan Harbor 1401 14th Ave George and Gunnar - PO Box 151	Dayton West Chester	KY OH	41074 45071	Colleen - 513-470-8007 Gunnar - 513-460-5246	Colleen - cgraves1274@gmail.com George - thetowcompanyllc@gmail.com Gunnar - cincy.armada@gmail.com	KY: 1 (transfer)
Tom and Bev Rosella & Josh Rosella	114 Henlopen Shores Circle, 26637 Meadow Creek Drive	Lewes Milton	DE DE	19958 19968	Tom - 908-872-8715 Bev - 908-642-4933 Josh - 841-937-6036	trosella@freedomboatclub.com, brosella@freedomboatclub.com, jrosella@freedomboatclub.com	MD: 2 (ceased operations) NJ: 1 (ceased operations)
Jarrett Johnson & Margaret Vandervalk	7399 County Road #502 3901 Turtle Creek Blvd #5	Bayfield Dallas	CO TX	81122 75219	214-727-0605	Jarrett-jjohnson@freedomboatclub.com Margaret-margaretvandervalk@gmail.com	NM: 1 (termination)
Paul Cannon	905 River Road	Youngstown	NY	14174	716-465-7060	pcannon@freedomboatclub.com	NY: 1 (ceased operations)
Bill Sheriff, David Drake, Mariah Lawrence, Mark Sheriff, Ross Roadman	Bill - 5621 Ottershaw Ct 8100 HWY 70 915 Hall Street 3135 Creekview Ln 9544 Secretariat Ln	Brentwood South Nashville Knoxville Goodlettsville Brentwood	TN TN TN TN TN		Bill - 615-478-2474 David - 615-424-2313 Mariah -865-271-8714 Mark - 615-417-9671 Ross - 615-483-1537	bill.sheriff@freedoboatclub.com ddrake@freedomboatclub.com mariah.lawrence@freedomboatclub.com mark.sheriff@freedomboatclub.com ross.roadman@freedomboatclub.com	TN: 1 (ceased operations)
Mitchell Jones	12214 Choto Marina Way	Knoxville	TN	37922	865-806-0200	mjones@southernmarinas.com	TN: 1 (termination)
Alexis & Brent Parker	269 E John Wayne Lane	Draper City	UT	84020	407-761-5304	brentparker@gmail.com, alexisjparker24@gmail.com	VA: 4 (transferred)

Name	Address	City	State	Zip Code	Phone	Email	Notes
Scott Issacks Bill Marquardt	5401 Hudson Bend Road 5921 Hiline Road #2303	Austin Austin	TX	78734 78734	512-565-0567 512-828-1666		TX: 1 (ceased operations)
Salty Dog Consulting, Sandy Purdon, Matthew Ottenbreit, Sam Ottenbreit, Sarah Ottenbreit, Tracy Ottenbreit, Shawn Ottenbreit	4635 Keppel Loop SW	Port Orchard	WA	98367	Shawn - 833-469-2828	Matthew - mottenbreit@freddomboatclub.com Sam Ottenbreit - ottenbreit2019@gmail.com Sarah Ottenbreit - sottenbreit@gmail.com Tracy - tottenbreit@freedomboatclub.com Shawn - sottenbreit@freedomboatclub.com	British Columbia: 1 (transferred ownership to sole remaining owner)
George Krassakopoulos & Karim El Maraqzi	2916 Rue Gaetan Labreche 328 rue Des Roseaux	St Laurent Lavel	Quebec, Canada Quebec, Canda	H4R 2WS H7X 4H3	514-975-5727 514-245-6363	geokrass@gmail.com kelmarazi@hotmail.com	Quebec: 1 (termination)

EXHIBIT G

FRANCHISE DISCLOSURE QUESTIONNAIRE

FRANCHISE DISCLOSURE QUESTIONNAIRE

(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.

Do not sign this Questionnaire if you are a resident of Maryland or the franchise is to be operated in Maryland.

l.	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.

_____	_____
Signature of Franchise Applicant	Signature of Franchise Applicant
_____	_____
Name (please print)	Name (please print)
Date _____	Date _____

EXPLANATION OF ANY NEGATIVE RESPONSES (REFER TO QUESTION NUMBER):

Question Number	Explanation of Negative Response

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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.

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.

(Signatures on following page)

IN WITNESS WHEREOF, Releasor has executed this Release as of the date first written above.

FRANCHISEE:

_____, a

_____

By:_____

Printed Name: _____

Its: _____

FRANCHISEE'S OWNERS:

Date _____

_____
Signature

_____
Typed or Printed Name

_____
Signature

_____
Typed or Printed Name

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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 ("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 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.

"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.

"Franchisee" means the Freedom Boat Club franchisee for which you are a manager or officer.

"Franchisee Territory" means the territory granted to you pursuant to a 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 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, 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 or all of the following: (i) owning, operating, or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent, or in any similar capacity) in a Competitive Business (other than owning an interest of five percent (5%) or less in a publicly-traded company that is a Competitive Business); (ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); and/or (iii) inducing or attempting to induce: (a) any customer of ours (or of one of our affiliates or franchisees) to transfer their business to you or to any other person that is not then a franchisee of ours.

"Restricted Period" means the two year period after you cease to be a manager or officer of Franchisee's Freedom Boat Club business; provided, however, that if a court of competent jurisdiction

determines that this period of time is too long to be enforceable, then the "Restricted Period" means the nine (9) month period after you cease to be a manager or officer of Franchisee's Freedom Boat Club business.

"Restricted Territory" means the geographic area within: (i) a 50-mile radius from Franchisee's Freedom Boat Club business (and including the premises of the approved location of Franchisee); and (ii) a 50-mile radius from all other Freedom Boat Club businesses that are operating or under construction as of the beginning of the Restricted Period; 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 from Franchisee's Freedom Boat Club business (and including the premises of the approved location of Franchisee).

"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 are no longer a manager or officer of Franchisee's Freedom Boat Club business. 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 the performance of 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 shall not apply to any information which is information publicly known or becomes lawfully known in the public domain other than through a breach of this Agreement or is required or compelled by law to be disclosed, provided that you will give reasonable notice to us to allow us to seek protective or other court orders.

4. Unfair Competition During Relationship. You agree not to unfairly compete with us at any time while you are a manager or officer of Franchisee's Freedom Boat Club business by engaging in any Prohibited Activities.

5. Unfair Competition After Relationship. You agree not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to customers who are located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the Prohibited Activity.

6. Immediate Family Members. You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, grandparent or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have

violated the terms of this Agreement if any member of your immediate family: (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities; or (ii) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

7. Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE, OR OTHERWISE UNENFORCEABLE.**

8. Breach. You agree that failure to comply with the terms of this Agreement will cause substantial and irreparable damage to us and/or other Freedom Boat Club franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours in the event of the entry of such injunction will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed $1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages. Any claim, defense, or cause of action that you may have against us, our owners or our affiliates, or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

9. Miscellaneous.

a. If we pursue legal remedies against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorneys' fees and costs 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 unenforceable, it shall not affect the enforceability of any other section, subsection, or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration, and geographic area.

d. You and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration, and geographic area. However, we may at any time unilaterally modify the terms of this Agreement upon written notice to you by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory, and/or reducing the scope of any other covenant imposed upon you under this Agreement to ensure that the terms and covenants in this Agreement are enforceable under applicable law.

(Signature on following page)

EXECUTED on the date stated below.

Date_____ _____

Signature

_____

Typed or Printed Name

Rev. 120619

EXHIBIT H-3

FREEDOM BOAT CLUB FRANCHISE

SAMPLE CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement ("Agreement") is entered into by the undersigned ("you") in favor of Freedom Franchise Systems, LLC, a Florida limited liability company, and its affiliates, successors and assigns ("us"), 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:

"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 entry fee and monthly dues, 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 knowledge of our Intellectual Property. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees, and that you could seriously jeopardize our entire Franchise System if you were to use such Intellectual Property in any way other than as described in this Agreement. In order to avoid such damage, you agree to comply with this Agreement.

3. Know-How and Intellectual Property: Nondisclosure and Ownership. You agree: (i) you will not use the Intellectual Property in any business or capacity other than for the benefit of the Freedom Boat Club Business operated by Franchisee or in any way detrimental to us or to the Franchisee; (ii) you will maintain the confidentiality of the Intellectual Property at all times; (iii) you will not make unauthorized copies of documents containing any Intellectual Property; (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 Intellectual Property; and (v) you will stop using the Intellectual Property immediately if you are no longer an employee, independent contractor, agent, representative, or supplier of Franchisee. You further agree that you will not use the Intellectual Property for any purpose other than the performing your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.

The Intellectual Property is and shall continue to be the sole property of Freedom Franchise Systems, LLC. You hereby assign and agree to assign to us any rights you may have or may acquire in such Intellectual Property. Upon the termination of your employment or engagement with Franchisee, or at any time upon our or Franchisee's request, you will deliver to us or to Franchisee all documents and data of any nature pertaining to the Intellectual Property, and you will not take with you any documents or data or copies containing or pertaining to any Intellectual Property.

4. Immediate Family Members. You acknowledge you could circumvent the purpose of this Agreement by disclosing Intellectual Property to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Intellectual Property to family members. Therefore, you agree you will be presumed to have violated the terms of this Agreement if any member of your immediate family uses or discloses the Intellectual Property. However, you may rebut this presumption by furnishing evidence conclusively showing you did not disclose the Intellectual Property to the family member.

5. Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE, OR OTHERWISE UNENFORCEABLE.**

6. Breach. You agree that failure to comply with this Agreement will cause substantial and irreparable damage to us and/or other Freedom Boat Club franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed $1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages. Any claim, defense, or cause of action you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

7. Miscellaneous.

a. Although this Agreement is entered into in favor of Freedom Franchise Systems, LLC, you understand and acknowledge that your employer/employee, independent contractor, agent,

representative, or supplier relationship is with Franchisee and not with us, and for all purposes in connection with such relationship, you will look to Franchisee and not to us.

b. If we pursue legal remedies against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorney fees and costs in doing so.

c. 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.

d. Each section of this Agreement, including each subsection and portion, is severable. If any section, subsection, or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection, or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms enforceable.

EXECUTED on the date stated below.

Date_____ _____

Signature

_____

Typed or Printed Name

Rev. 032916

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)		
Bank Account No.	☐ Checking ☐ Savings (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.

Signature: _____ Date: _____
Name: _____
Its: _____

Federal Tax ID Number: _____

Rev. 032916

NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT.

EXHIBIT H-5

FREEDOM BOAT CLUB FRANCHISE

SAMPLE APPROVAL OF REQUESTED ASSIGNMENT

This Approval of Requested Assignment ("**Agreement**") is entered into this _____ day of _____, 20___, between Freedom Franchise Systems, LLC ("**Franchisor**"), a Florida Limited Liability Company, _____ ("**Former Franchisee**"), the undersigned owners of Former Franchisee ("**Owners**") and _____, a [State] [Corporation/Limited Liability Company] ("**New Franchisee**").

RECITALS

WHEREAS, Franchisor and Former Franchisee entered into that certain franchise agreement dated _____, 20___ ("**Former Franchise Agreement**"), in which Franchisor granted Former Franchisee the right to operate a Freedom Boat Club franchise located at _____ ("**Franchised Business**"); and

WHEREAS, Former Franchisee desires to assign ("**Requested Assignment**") the Franchised Business to New Franchisee, New Franchisee desires to accept the Requested Assignment of the Franchised Business from Former Franchisee, and Franchisor desires to approve the Requested Assignment of the Franchised Business from Former 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 Assignment, Former Franchisee acknowledges and agrees to pay Franchisor the Transfer Fee, as required under the Franchise Agreement ("**Franchisor's Assignment Fee**").

2. Assignment and Assumption. Former Franchisee hereby consents to assign all of its rights and delegate its duties with regard to the Former Franchise Agreement and all exhibits and attachments thereto from Former Franchisee to New Franchisee, subject to the terms and conditions of this Agreement, and conditioned upon New Franchisee's signing the New Franchise Agreement pursuant to Section 5 of this Agreement.

3. Consent to Requested Assignment of Franchised Business. Franchisor hereby consents to the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon receipt of the Franchisor's Assignment Fee from Former Franchisee and the mutual execution of this Agreement by all parties. Franchisor waives its right of first refusal set forth in the Former Franchise Agreement.

4. Termination of Rights to the Franchised Business. The parties acknowledge and agree that effective upon the date of this Agreement, the Former Franchise Agreement shall terminate and all of Former Franchisee's rights to operate the Franchised Business are terminated and that from the date of

this Agreement only New Franchisee shall have the sole right to operate the Franchised Business under the New Franchise Agreement. Former Franchisee and the undersigned Owners agree to comply with all of the covenants in the Former Franchise Agreement that expressly or by implication survive the termination, expiration, or transfer of the Former Franchise Agreement. Unless otherwise precluded by state law, Former Franchisee 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.

1. Former Franchisee's Contact Information. Former Franchisee agrees to keep Franchisor informed of its current address and telephone number at all times during the three-year period following the execution of this Agreement.

2. Acknowledgement by New Franchisee. New Franchisee acknowledges and agrees that the purchase of the rights to the Franchised Business ("**Transaction**") occurred solely between Former 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 Requested Assignment and any required actions regarding New Franchisee's signing of the New Franchise Agreement for the Franchised Business. New Franchisee agrees that any claims, disputes, or issues relating New Franchisee's acquisition of the Franchised Business from Franchisee are between New Franchisee and Former Franchisee, and shall not involve Franchisor.

8. Representation. Former Franchisee warrants and represents that it has not heretofore assigned, conveyed, or disposed of any interest in the Former Franchise Agreement or Franchised Business. 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 14 calendar days after receipt of the Franchise Disclosure Document.

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 telegram or telefax, shall be deemed to have been given on the date so delivered or transmitted, if sent to the recipient at its address or telefax number appearing on the records of the sending party.

10. Further Actions. Former Franchisee 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 Former Franchise Agreement.

11. Affiliates. When used in this Agreement, the term "**Affiliates**" has the meaning as given in Rule 144 under the Securities Act of 1933.

12. Miscellaneous. 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. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

13. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida.

(Signatures on following page)

IN WITNESS WHEREOF, the parties have executed this Agreement under seal, with the intent that this be a sealed instrument, as of the day and year first above written.

FRANCHISOR:

FREEDOM FRANCHISE SYSTEMS, LLC

By: _____

Printed Name: _____

Title: _____

FORMER FRANCHISEE:

_____

By: _____

Printed Name: _____

Title: _____

NEW FRANCHISEE:

_____

By: _____

Printed Name: _____

Title: _____

Rev. 031821

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:

1. BACKGROUND	
Slip Agreement	[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.
Slips	
Marina	
Address	
Marina Owner	
Address	
Freedom Business	[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. **Renewa**l. 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 renumeration 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
    897 E. Venice Avenue
    Venice, FL 34285-7038

    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: _____ *(signature)*	By: _____ *(signature)*
Name: _____ *(printed)*	Name: _____ *(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 into 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 into 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 it's 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. 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.

c. 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: Barry.Slade@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.

(*Signatures to follow on next page*)

IN WITNESS WHEREOF, the Parties have executed this Agreement by their respective authorized representatives as of the date first set forth above.

Brunswick Corporation	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

SMALL BUSINESS ADMINISTRATION ADDENDUM

ADDENDUM RELATING TO
FREEDOM FRANCHISE SYSTEMS, LLC
FRANCHISE AGREEMENT

THIS ADDENDUM ("Addendum") is made and entered into on _____, 20____, by Freedom Franchise Systems, LLC, located at 897 E. Venice Avenue, Venice, FL 34285-7038 ("Franchisor"), and _____ located at _____ ("Franchisee").

Recitals. Franchisor and Franchisee entered into a Franchise (or License) Agreement on _____, 20__ ("Franchise Agreement"). The Franchisee agreed, among other things, to operate and maintain a franchise located at _____ designated by Franchisor as Unit #_____ ("Unit"). Franchisee has obtained from a lender a loan ("Loan") in which funding is provided with the assistance of the United States Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining the SBA assisted financing.

NOW, THEREFORE, in consideration of the mutual promises below, and for good and valuable consideration in hand paid by each of the parties to the others, the receipt and sufficiency of which the parties acknowledge, the parties agree as follows:

- The Franchise Agreement is in full force and effect, and Franchisor has sent no official notice of default to Franchisee under the Franchise Agreement that remains uncured on the date hereof.

- If the Franchisor must operate the business under Section XV. J. of the Franchise Agreement, Franchisor will operate the business for a 90-day renewable term, renewable as necessary for up to one year, and the Franchisor will periodically discuss the status with the Franchisee or its heirs.

- Franchisor will not unreasonably withhold, delay, or condition its consent to any proposed transfer or assignment by Franchisee which requires Franchisor's consent under Section XV. B. of the Franchise Agreement.

- The following is added to the end of Section XV. D. of the Franchise Agreement:

  However, the Franchisor may not exercise a right of first refusal:

  (a) If a proposed Transfer is between or among individuals (including members of their immediate families and their respective spouses) who, at the time of the proposed Transfer, have an ownership interest in the Franchisee or the Franchise, and who have guaranteed the Franchisee's obligations under a then outstanding indebtedness which is guaranteed by the United States Small Business Administration ("SBA")

(Owner/Guarantors); or

(b) If a proposed Transfer involves a Person other than an Owner/Guarantor and the proposed Transfer involves a non-controlling ownership interest in the Franchisee or the Franchise, unless such non-controlling interest: (1) represents less than a 20% ownership interest in the Franchisee or in the Franchise, or (2) the Franchisor (in combination with all of Franchisor's franchisees) qualifies as a small business and the exercise of the right does not affect the eligibility of the borrower to qualify for the SBA loan guarantee program.

The Franchisor's right to approve or to disapprove a proposed Transfer or transferee, or to exercise its right of first refusal with respect to a Transfer of a controlling interest in Franchisee or the Franchise, shall not be affected by any of the foregoing provisions. If the Franchisor does not qualify as a small business under SBA regulations, the parties acknowledge and understand that the Franchisor's exercise of its right of first refusal may result in an SBA guaranteed loan becoming immediately due and payable.

- This Addendum automatically terminates on the earliest to occur of the following: (i) a termination occurs under the Franchise Agreement; (ii) the Loan is paid; or (iii) SBA no longer has any interest in the Loan.

IN WITNESS WHEREOF, the parties hereto have duly signed and executed this Addendum as of the day and year first above written.

FRANCHISOR:	**FRANCHISEE:**
FREEDOM FRANCHISE SYSTEMS, LLC	_____
By: _____	By: _____
Print Name: _____	Print Name: _____
Title: _____	Title: _____

EXHIBIT H-9

FREEDOM BOAT CLUB FRANCHISE

SAMPLE FINANCING AGREEMENT

FINANCING AGREEMENT -- Freedom Boat

This Financing Agreement -- Freedom Boat (as from time to time amended and together with any Transaction Statements, as hereinafter defined, "***Agreement***") is between Brunswick Acceptance Company, LLC ("***Lender***"), 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] ("***Boat Club Operator***") with its chief executive office and principal place of business at [Boat Club Operator Address].

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, Lender may extend credit to or on behalf of 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 Lender or approved pursuant to agreements among Lender and parties related to Lender (collectively, "***Vendors***") and for other purposes. Vendor approval is an ongoing process and depends, in part, on the total value of invoices approved by Lender with any given Vendor at any point in time. The total value of invoices approved by Lender with a Vendor is subject to one or more maximum amounts separate from the amount of Boat Club Operator's credit line. Lender's decision to advance funds is at Lender's discretion. Lender may combine all of Lender's advances to Boat Club Operator or on Boat Club Operator's behalf, whether under this Agreement or any other agreement, whether provided by one or more of Lender's branch offices, and whether administered as separate sublimits, multiple accounts, or otherwise, together with all finance charges, fees and expenses related thereto, to constitute one debt and loan owed by Boat Club Operator. Without limiting the discretionary nature of this credit facility, Lender may, without notice to Boat Club Operator, elect not to finance any Club Units sold by any Vendor (i) who is in default to Lender, (ii) who has exceeded or will exceed (if such Club Unit is financed) the applicable maximum amount established for such Vendor, (iii) with respect to which Lender reasonably feels insecure, or (iv) with respect to which Lender has determined (for any reason) is not an approved Vendor. All advances and other transactions hereunder are for business purposes and not for personal, family, household or any other consumer purposes.

(b) The financing which may be provided by Lender 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. Lender and Boat Club Operator agree to set forth in this Agreement only the general terms of Boat Club Operator's financing arrangement with Lender as certain financial terms depend, in part, on factors which vary from time to time, including without limitation, the availability of Vendor discounts, payment terms or other incentives, Lender's lending 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, Lender 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 financed and/or the advance made and the terms and conditions of repayment of such advance, including, without limitation, applicable financial

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terms, repayment schedule and maturity for each Club Unit. Boat Club Operator agrees that Boat Club Operator's failure to notify Lender 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 (1) acceptance of all terms thereof, (2) agreement that Lender is financing such Club Unit at Boat Club Operator's request, and (3) agreement that such Transaction Statement will be incorporated herein by reference. If Boat Club Operator objects to the terms of any Transaction Statement, Boat Club Operator will pay Lender 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 at the maximum lawful contract rate of interest permitted under applicable law), subject to termination of this Agreement by Lender and its rights under the termination provision contained in Section 17 below. This Agreement may be supplemented by a program letter which sets forth further additional terms and conditions relating to the financing arrangement between Lender and Boat Club Operator, which such program letter may be amended from time to time. To the extent Vendor program subsidies are applicable to Boat Club Operator's financing program (each a "***Lender Credit***"), with respect to any advance Lender makes to a Vendor on behalf of Boat Club Operator, Lender may apply against any such amount owed to Vendor any amount Lender is owed from such Vendor for any such Lender Credit; provided, however, in the event Vendor does not remit any such Lender Credit, Boat Club Operator agrees to pay the full amount of such Lender Credit.

3. Security Interest.

(a) Boat Club Operator hereby grants to Lender 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 without limitation, all Accounts, Inventory, Equipment, Fixtures, other Goods, General Intangibles (including without limitation, Payment Intangibles), Chattel Paper (whether tangible or electronic), (including without limitation, 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 without limitation, 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, without limitation, 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. For purposes of this Section 3 only, capitalized terms used in this Section 3, which are not otherwise defined, 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 Lender, whether such indebtedness or other obligations arise under this Agreement or any other existing or future agreement between or among Lender and Boat Club Operator or otherwise, and whether for principal, interest, fees, charges, 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 price protection payments, rebates, discounts, credits, factory holdbacks, incentive payments and other amounts which at any time are due Boat Club Operator from a Vendor.

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 hereunder:

(a) Boat Club Operator does not conduct business under any trade styles or trade names except as disclosed by the Boat Club Operator to Lender in writing and has all the necessary authority to enter into and perform this Agreement and 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;

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(b) 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;

(c) 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;

(d) 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;

(f) all information supplied by Boat Club Operator to Lender, including any financial, credit or accounting statements or application for credit, in connection with this Agreement is true, correct and complete;

(g) Boat Club Operator has good title to all Collateral;

(h) 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;

(i) 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 Lender to finance any boat or boats; and

(j) 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 Lender 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 Lender and subordinate Liens in favor of other persons with respect to which Lender shall have first consented in writing.

(b) Boat Club Operator will:

(1) only keep Collateral at locations within the U.S. which have been disclosed to Lender either (i) in writing prior to the execution of this Agreement or (ii) upon thirty (30) days' prior written notice, and, in either case, which have been approved by Lender, 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;

(2) keep all tangible Collateral safe and secure, in good order, repair and operating condition and insured as required by Lender;

(3) promptly file all tax returns required by law and promptly pay all taxes, fees, and other governmental charges for which it is liable, including without limitation all governmental charges against the Collateral or this Agreement;

(4) provide Lender, upon Lender's request the physical location of each Club Unit actually in the possession of a Utilizing Member;

(5) during normal business hours and at any other time Lender deems desirable, provide access to its business locations as frequently as Lender determines to be appropriate; and permit Lender and any of its designees to inspect the Collateral (except when any such Collateral is a Club Unit that is

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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 Lender 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;

(6) in connection with any Collateral inspection, provide Lender 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 Lender or its designees to move the Collateral in order to provide such safe and secure access;

(7) 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 without limitation Club Units (and other inventory) and Plan Agreements;

(8) keep, maintain and only use Plan Agreements and other related forms and agreements which (i) have been prepared and approved by Boat Club Operator and approved by Lender in its sole discretion, (ii) are transferable to Lender, (iii) prohibit Utilizing Members from removing the Club Unit from the United States or to travel outside of the United States territorial seas, and (iv) otherwise comply with Section 5(c)(3) below;

(9) furnish Lender with such additional information regarding the Collateral and Boat Club Operator's business and financial condition as Lender may from time to time reasonably request (including without limitation financial statements and projections more frequently than set forth below);

(10) immediately notify Lender of the occurrence of any Default or other event or circumstance which, with the giving of notice or lapse of time or both would constitute a Default, including, without limitation, 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;

(11) execute (or cause any third party in possession of Collateral to execute) all documents Lender requests to perfect and maintain Lender's security interest in the Collateral;

(12) instruct each Utilizing Member regarding the proper use and care of 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 and utilization of such Club Unit by such Utilizing Member;

(13) 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 Lender with documentation evidencing the same;

(14) notify Lender of the commencement of any legal proceedings against Boat Club Operator or any Guarantor (as defined below) by Franchisor or any Member and the commencement of any legal proceedings brought against Boat Club Operator or any Guaranty by any other person or entity;

(15) will maintain a minimum level, age and type of boats to meet its Members needs;

(16) comply in all respects with all provisions of the Franchise Agreement and all Membership Documents; and

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(17) comply with all laws, rules and regulations applicable to Boat Club Operator, including without limitation, the (i) USA PATRIOT ACT, (ii) all laws, rules and regulations relating to import or export controls or anti-money laundering, (iii) all relevant trade controls requirements, requirements issued by the U.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 (iv) 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) No Boat Club Operator will without Lender's prior written consent:

(1) 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;

(2) assign, sell, pledge, convey or by any other means transfer to any person, other than Lender, any Plan Agreement or other Membership Documents;

(3) 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;

(4) engage in any business (including without limitation 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;

(5) change its business in any material manner or its organizational structure or be a party to a merger or consolidation or change its registration to a registered organization other than as specified above;

(6) change its name without giving Lender at least thirty (30) days' prior written notice thereof;

(7) change the state in which it is incorporated or otherwise organized (except upon thirty (30) days' prior written notice to Lender);

(8) change its chief executive office or office where it keeps its records with respect to accounts or chattel paper;

(9) finance on a secured basis with any 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 Lender;

(10) store Club Units (or other inventory) financed by Lender with any third party unless Lender, Boat Club Operator and such third party shall have executed and delivered a landlord waiver agreement, providing full rights of access to Lender 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 Lender in its sole discretion;

(11) take any steps or agree to terminate or modify in any material manner, the Franchise Agreement;

(12) 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;

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(13) permit any person who is not an employee of Boat Club Operator or a Member to operate any Club Unit; or

(14) without the prior written consent of Lender, register any Club Unit with the United States Coast Guard (the "***USCG***").

6. Club Financing Terms and Provisions.

(a) Boat Club Operator agrees to indemnify Lender against:

(1) any loss or damage Lender 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

(2) 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, Lender'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 Lender for any attorneys' fees which Lender 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 Lender, and, immediately upon Lender's request, delivered to Lender together with any and all related documents.

(d) Boat Club Operator will immediately notify Lender orally and in writing of any and all sales, damage or other disposition regarding the Club Units and all terms and details thereof. Upon Lender's request, Boat Club Operator will provide Lender copies of any or all Plan Agreements, Membership Documents, a written report (in form and content acceptable to Lender) 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 Lender may determine, Boat Club Operator will provide Lender with a report, in a form and containing such detailed information as Lender 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 Lender 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 Lender provides its prior written consent to Boat Club Operator to register any specific Club Unit with the USCG, Boat Club Operator will (1) 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 Lender's security interest in such Club Unit, and (2) send or must cause to be sent the original of such certificates of title to Lender.

(g) If Lender provides its prior written consent to Boat Club Operator's registration of any specifically identified Club Unit with the USCG, Boat Club Operator will (1) 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 Lender, granting Lender a first and only

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lien on such Club Unit, and (2) take all necessary steps and pay all necessary fees to cause such preferred ship mortgage to by lodged with and recorded by the USCG.

7. Insurance.

(a) All risk of loss, damage to or destruction of Collateral shall at all times be on Boat Club Operator. 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 Lender and issued by insurers satisfactory to Lender with a lender loss payable endorsement acceptable to Lender. In addition, such insurable risk under policies delivered to Lender must include renter and commercial general liability insurance in amount of not less than $2,000,000.00 (or such larger amount as Lender may, from time to time require) per occurrence combined single limit, $2,000,000.00 (or such larger amount as Lender may, from time to time require) in general aggregate, and additional umbrella excess liability coverage in an amount not less than $2,000,000.00 (or such larger amount as Lender may, from time to time require) in aggregate. Lender 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 Lender in the form received, with all necessary endorsements, all proceeds of such insurance which Boat Club Operator may receive. Lender, 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 7(a) above, Boat Club Operator shall (1) maintain insurance with financially sound and reputable insurers acceptable to Lender on such of its property and in at least such amounts (but in no event less that 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; (2) cause Lender 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, (3) 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, (4) cause all such casualty and damage insurance policies to contain waiver of coinsurance clauses acceptable to Lender, (5) cause Lender to be named as sole lender 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 Lender, (6) cause all policies to provide that Lender be sent copies of any written notice of cancellation, modification, termination or lapse of such policies upon the earlier of (i) two (2) Business Days (as defined below) of the issuance of such notice, or (ii) ten (10) days prior to any cancellation, modification, termination or lapse of coverage, (7) maintain such other insurance as may be required by law; (8) maintain any additional insurance coverage contemplated or required by the Franchise Agreements, and (9) furnish to the Lender 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.

8. Financial Statements; Reporting. Boat Club Operator shall provide Lender:

(a) In a form satisfactory to Lender: (1) Boat Club Operator's year-end CPA-audited 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; (2) 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 (3) within ten (10) days after Lender's request, any other information relating to the financial condition of Boat Club Operator. In addition, Boat Club Operator agrees to provide Lender, promptly after Lender's request thereof, such other financial records or information respecting Boat Club Operator as may be from time to time requested by Lender. Furthermore, Boat Club Operator authorizes Lender, 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

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creditors or other persons any financial, credit or other information regarding or relating to Boat Club Operator, whether supplied by Boat Club Operator to Lender or otherwise obtained by Lender.

(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.

9. Payment Terms.

(a) Boat Club Operator will immediately pay Lender the principal amount of the Obligations owed Lender on each item of Collateral financed by Lender on the earliest occurrence of any of the following events: (1) when such payment is due in strict accordance with any repayment schedule for such Collateral which may be set forth in the Transaction Statement; (2) when any such item of Collateral consisting of a Club Unit is (i) sold, (ii) lost, stolen or damaged; (iii) transferred; (iv) rented, leased or used in a manner contrary to the provisions of this Agreement; or (v) otherwise disposed of; or (3) when otherwise required under the terms of this Agreement. Lender may apply: (y) payments to reduce finance charges first and then principal, regardless of Boat Club Operator's instructions; and (z) principal payments to the oldest (earliest) invoice for Collateral financed by Lender, but, in any event, all principal payments, may, in Lender's sole discretion, first be applied to such Collateral which is sold, lost, stolen, damaged, rented, leased, or otherwise disposed of or unaccounted for. Any payment hereunder which 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 finance 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 Lender, 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 (1) fails to immediately remit funds to Lender 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 Lender for Boat Club Operator, or (2) is required to make immediate payment to Lender of any past due obligation discovered during any Collateral review, or at any other time, then Lender'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 Lender as directed.

(c) Any Vendor Credit granted to Boat Club Operator for any Collateral will not reduce the Obligations Boat Club Operator owes Lender until Lender has received payment therefor as set forth below. Boat Club Operator will: (1) pay Lender even if any Collateral is defective or fails to conform to any warranties extended by any third party; and (2) indemnify and hold Lender 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 Lender. Boat Club Operator will not assert against Lender any claim or defense Boat Club Operator may have against any Vendor and any such claims or defenses shall not affect Boat Club Operator's liabilities or obligations to Lender.

(d) Any advances which are not used to acquire Club Units (or other inventory), as contemplated hereby, 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 Lender, Boat Club Operator shall, at Lender's request, immediately pay Lender the amount necessary to reduce the sum of Lender's outstanding advances with respect to Club Units (and other inventory) received by Boat Club Operator to an amount which does not exceed the aggregate invoice price to Boat Club Operator of the Club Units (and other inventory) in Boat Club Operator's possession which (1) is financed by Lender, and (2) in which Lender has a perfected first priority lien.

(e) All payments due by Boat Club Operator to Lender under this Agreement or otherwise shall be made by check made on a United States bank, ACH, EDI or federal wire, in each case drawn on an account established in the name of Boat Club Operator. Payment in any other form may delay processing or be returned to Boat Club Operator and may cause Boat Club Operator to incur a late payment fee. Lender policy bars payment by cash or cash equivalents and any such payments will

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be declined; Lender reserves the right to decline other forms of payment, including but not limited to, cashier's checks, money orders, bank drafts, third-party checks and traveler's checks. In the event of any such payment decline, Boat Club Operator's debt will remain outstanding and interest/fees permitted under Boat Club Operator's agreement may accrue until acceptable payment is received. Lender will recognize and credit payments according to its payment recognition policies from time to time in effect or as otherwise agreed. Information regarding Lender's payment recognition policy is available from Boat Club Operator's Lender representative, the Lender website, or will be communicated pursuant to Section 11(b) below.

10. Calculation of Charges.

(a) Boat Club Operator shall pay fees, charges and interest (collectively, "***Charges***") with respect to each advance in accordance with this Agreement. Boat Club Operator shall pay Lender its customary Charge for any check or other item which is returned unpaid to Lender. Unless otherwise provided in the Agreement, the following additional provisions shall be applicable to Charges:

(1) any reference to:

(A) "***Prime Rate***" shall mean, for any calendar month, an interest rate equal to the greater of (i) 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 Lender, 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 Lender, or (ii) the Minimum (as defined below), and

(B) "***Adjusted 30-Day Average SOFR***" shall mean, for any calendar month, an interest rate equal to the greater of (i) 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 Lender, 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 Lender and identified on the applicable Transaction Statement or other notice provided by Lender to Boat Club Operator, which sum shall be rounded to such number of decimal places as selected by Lender, or (ii) the Minimum (as defined below) (the Prime Rate and the Adjusted 30-Day Average SOFR are each referred to herein as a "***Base Rate***");

(2) all Charges shall be paid by Boat Club Operator monthly pursuant to the terms of the billing statement in which such Charges appear;

(3) 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 herein referred to as the "***Daily Rate***"), and then multiplying the Daily Rate by either (i) the average principal balance outstanding during such period, or (ii) the actual principal balance outstanding on each day during such period;

(4) interest on an advance shall begin to accrue on the "***Start Date***", which shall be defined as the earlier of: (i) the invoice date referred to in the Vendor's invoice; or (ii) the ship date referred to in the Vendor's invoice; or (iii) the date Lender makes such advance; provided, however, if a Vendor fails to fully pay, by honoring or paying any Lender Credit 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 Financing Period (as defined below), then Boat Club Operator shall pay such interest to Lender on demand as if there were no Free Financing Period with respect to such Club Unit (or other inventory);

(5) for the purpose of computing Charges, any payment will be credited pursuant to Lender's payment recognition policies, as in effect from time to time;

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(6) advances or any part thereof not paid when due (and Charges not paid when due, at the option of Lender, shall become part of the principal amount of the Obligations and) 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 Section 10(a) (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 Lender, 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 Lender 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 Lender to Boat Club Operator pursuant to the Agreement; "***Default Rate***" shall mean the default rate specified in Boat Club Operator's financing program with Lender, 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; and "***Free Financing 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 Lender a Lender Credit.

(b) Lender intends to strictly conform to the usury laws governing this Agreement. Regardless of any provision contained herein, in any Transaction Statement, or in any other document, Lender 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 Lender ever receives any amount which, if considered to be interest, would exceed the maximum amount permitted by law, Lender 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 Lender shall, to the maximum extent permitted under applicable law, (1) characterize any non-principal payment (other than payments which are expressly designated as interest payments hereunder) as an expense or fee rather than as interest, (2) exclude voluntary pre-payments and the effect thereof, and (3) 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 (i) the interest rate provided in this Agreement, including as provided in each accepted Transaction Statement, as may be amended as provided herein; and (ii) any additional rate of interest resulting from any other charges or fees 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***"), Lender 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 Lender as the replacement for such Benchmark, plus (ii) a spread adjustment selected by Lender (collectively, the "***Benchmark Replacement***"), and (2) make technical, administrative and/or operational changes, including without limitation, (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 Lender, to reflect the adoption of the Benchmark Replacement and to permit the administration thereof by Lender in such manner as Lender 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 the 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

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owing by Boat Club Operator to Lender and/or to Obligations incurred or arising after the Benchmark Replacement Date, all as Lender 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 Lender to Boat Club Operator of Lender's intention to adopt a new benchmark to replace such Index Rate; or (c) entrance by Lender 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 Lender pursuant to this paragraph, including, without limitation, 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 Lender's sole discretion and without Boat Club Operator consent, except as expressly required pursuant to the provisions of the Agreement.

11. Billing Statement/Fees; Right to Modify Charges and Other Terms.

(a) Lender will transmit, send or otherwise make available to Boat Club Operator a monthly billing statement identifying all charges due on Boat Club Operator's account with Lender. The charges specified on each billing statement will be (1) due and payable in full immediately on receipt, unless otherwise stated in writing in your billing statement, Transaction Statement or other written document provided by Lender, and (2) an account stated, unless Lender 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 Lender does not receive, by the 25th day of any given month, payment of all charges accrued to Boat Club Operator's account with Lender during the immediately preceding month, Boat Club Operator will (to the extent allowed by law) pay Lender a late fee equal to the greater of $5 or 5% of the amount of such charges (payment of such fee does not waive the Default caused by the late payment). Lender may adjust the billing statement at any time to conform to applicable law and this Agreement.

(b) Lender may charge one or more fees in connection with the servicing and administration of Boat Club Operator's account. From time to time, Lender may provide written notice to Boat Club Operator of new or changed fees, interest and/or other finance charges (including without limitation, 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 Lender shall advise, with respect to existing Obligations owing by Boat Club Operator to Lender and/or to Obligations incurred or arising after such notice or future effective date, as the case may be, all as Lender 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 (1) making any request for financing after the effective date of such notice, or (2) failing to notify Lender 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 Lender 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.

12. Default. The occurrence of one or more of the following events shall constitute a default by Boat Club Operator (a "***Default***"):

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(a) Boat Club Operator or any Boat Club Operator Affiliate (as defined below) shall fail to pay any Obligations hereunder or other amounts, however or wherever documented, owed to Lender or any Lender Affiliate when due or any remittance for any such Obligations or other amounts is dishonored when first presented for payment;

(b) any representation made to Lender or any Lender Affiliate by Boat Club Operator, any Boat Club Operator Affiliate or by any guarantor, surety, issuer of a letter of credit or any person other than Boat Club Operator primarily or secondarily liable with respect to any Obligations (a "***Guarantor***") shall not be true when made or if Boat Club Operator, any Boat Club Operator Affiliate or any Guarantor shall breach any covenant, warranty or agreement to or with Lender;

(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;

(d) any letter of credit or other form of collateral provided by Boat Club Operator or a Guarantor to Lender 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;

(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 without limitation the Franchise Agreement) which Lender 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 Lender in connection herewith;

(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 Lender or any Lender 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

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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; or

(q) Lender in good faith believes the prospect of payment of any Obligations is impaired or Lender deems itself insecure.

As used herein, the terms

"***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, and

"***Lender Affiliate***" means any person that at any time directly or indirectly controls, is controlled by, or is under common control with Lender.

13. Rights and Remedies Upon Default. Upon the occurrence of a Default, Lender 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. Lender 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 Lender, Lender 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 Lender to Boat Club Operator in connection with such Club Unit. Boat Club Operator waives notice of intent to accelerate, and of acceleration of any Obligations. Lender 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 Lender requests, Boat Club Operator shall assemble the Collateral and make it available to Lender, at Boat Club Operator's expense, at a convenient place or places designated by Lender. Lender 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 Lender to a person who is liable to Lender 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 a Vendor pursuant to a repurchase or purchase agreement (however denominated) with Lender shall be a commercially reasonable method of disposition. Boat Club Operator shall be liable to Lender for any deficiency resulting from Lender's disposition, including without limitation a repurchase or purchase by a Vendor, regardless of any subsequent disposition thereof. Boat Club Operator is not a beneficiary of, and has no right to require Lender to enforce, any repurchase or purchase agreement. If Boat Club Operator fails to perform any of its obligations under this Agreement, Lender may perform the same in any form or manner Lender in its discretion deems necessary or desirable, and all monies paid by Lender 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 Lender's rights and remedies shall be cumulative. Boat Club Operator shall pay all Vendor Credits to Lender as soon as the same are received for application to the Obligations. Boat Club Operator authorizes Lender to collect such amounts directly from Vendors and, upon request of Lender, shall instruct Vendors to pay Lender directly. Boat Club Operator irrevocably waives any requirement that Lender retain possession and not dispose of any Collateral until after trial or final judgment or appeal thereof. Lender's election to extend or not extend credit to Boat Club Operator is solely at Lender'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 Lender has accelerated any Obligations, Lender may, without notice, apply the Default Rate.

14. Power of Attorney. Boat Club Operator authorizes Lender to: (a) file financing statements and amendments thereto describing Lender as "Secured Party," 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

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of origin, builder's certificate, or other notices or records comprising or related to Collateral or evidencing financing under the Agreement or evidencing or maintaining the perfection of the security interest granted hereby, as attorney-in-fact for Boat Club Operator; and (c) supply any omitted information and correct errors in any documents between Lender and Boat Club Operator. This power of attorney and the other powers of attorney granted herein are irrevocable and coupled with an interest.

15. 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 Lender on demand all reasonable attorneys' fees and legal expenses and other costs and expenses incurred by Lender in connection with establishing, perfecting, maintaining perfection of, protecting and enforcing its Lien on the Collateral, enforcing Lender's rights hereunder and collecting any Obligations, or in connection with any modification of this Agreement, any Default or in connection with any action or proceeding for possession or under any receivership, assignment for benefit of creditors, bankruptcy or other insolvency laws (including, without limitation, 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), 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.

16. 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, Lender will ask for the name(s), address(es), date(s) of birth, and other information that will allow Lender to identify Boat Club Operator, and its owner(s) and Guarantor(s) as applicable. Lender may also ask to see 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 the Agreement.

(b) Boat Club Operator irrevocably authorizes Lender 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). Lender may provide to any Lender Affiliate or any third parties 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 Lender may at any time possess, whether such information was supplied by Boat Club Operator to Lender or otherwise obtained by Lender. Further, Boat Club Operator irrevocably authorizes and instructs any third parties (including without limitation, any Vendors or customers of Boat Club Operator) to provide to Lender any credit, financial or other information regarding Boat Club Operator that such third parties may at any time possess.

17. 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 Lender may terminate the 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 Lender for all Obligations arising prior to or after termination, and all of Lender's rights and remedies and its security interest shall continue until all Obligations to Lender are paid and all obligations of Boat Club Operator are performed in full. If Lender 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 Lender to make any advances. All waivers and indemnifications in Lender's favor set forth in this Agreement will survive any termination of this Agreement.

18. Binding Effect. Boat Club Operator cannot assign its interest in this Agreement without Lender's prior written consent. Lender may assign, participate and grant a security interest in Lender's interest, in whole or in part, at any time, without Boat Club Operator's consent. This Agreement will protect and bind Lender's and Boat Club Operator's respective heirs, representatives, successors and assigns, as the case may be.

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19. Notices. Except as required by law or as otherwise provided herein, 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 to Boat Club Operator at its chief executive office shown in the preamble hereto or to any office to which Lender sends billing statements, or to Lender at its address shown in the preamble hereto, to the attention of its Credit Department, or at 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 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.

20. Severability. Except as set forth in Sections 23(e) and 23(k) 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.

21. Miscellaneous. Time is of the essence regarding Boat Club Operator's performance of its obligations to Lender. Lender may accept this Agreement by issuance of an approval to a Vendor for the purchase of Club Units (or other inventory) by Boat Club Operator or by making an advance hereunder. Boat Club Operator's liability to Lender is direct and unconditional and will not be affected by the release or nonperfection of any security interest granted hereunder. Lender may refrain from or postpone enforcement of this Agreement or any other agreements between Lender 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 Lender of a Default shall only be effective if in writing signed by Lender 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 hereof. If Boat Club Operator fails to pay any taxes, fees or other obligations which may impair Lender's interest in the Collateral, or fails to keep any Collateral insured, Lender may, but shall not be required to, pay such amounts. Such paid amounts will be: (a) additional Obligations which Boat Club Operator owes to Lender, which are subject to finance charges as provided herein 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. This Agreement may be validly executed in one or more multiple counterpart signature pages. Notwithstanding anything herein to the contrary, Lender 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 who drafted all or any portion of this Agreement. No modification of this Agreement shall bind Lender unless in a writing signed by Lender and transmitted to Boat Club Operator. Among other symbols, Lender hereby adopts "Brunswick Acceptance Company, LLC", "Brunswick Acceptance Company", "BAC" or "Lender" as evidence of its intent to authenticate a record.

22. Limitation of Remedies and Damages. In the event there is any dispute under this Agreement, the aggrieved party shall not be entitled to exemplary or punitive damages so that the aggrieved party's remedy in connection with any action arising under or in any way related to this Agreement shall be limited to a breach of contract action and any damages in connection therewith are limited to actual and direct damages, except that Lender may seek equitable relief in connection with any judicial repossession of, or temporary restraining order with respect to, the Collateral.

23. 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 the 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 hereunder. Except as otherwise specified below, all actions, disputes, claims and controversies under common law, statutory law or in equity of any type or nature whatsoever, whether arising before or after the date of this Agreement, and whether directly or indirectly arising from or relating to: (a) this Agreement and/or any amendments and addenda hereto, or the breach, invalidity or termination hereof; (b) any previous or subsequent agreement between Lender and Boat Club Operator; (c) any act committed by Lender or by any parent company, subsidiary or affiliated company of Lender (the "***Lender Companies***"),

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or by any employee, agent, officer or director of a Lender Company, whether or not arising within the scope and course of employment or other contractual representation of the Lender Companies, provided that such act arises under a relationship, transaction or dealing between Lender and Boat Club Operator; and/or (d) any other relationship, transaction or dealing between Lender and Boat Club Operator (collectively the "***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 thereof (including, without limitation, 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 the 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 Lender and Boat Club Operator (other than a subsequently executed Inventory Financing Agreement), the parties agree 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 as set forth hereafter. Service of arbitration claims, arbitration pleadings and confirmation pleadings or motions shall be effective if made by U.S. mail or overnight delivery to the address for the party described herein. 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 hereunder will be conducted with either: (1) The American Arbitration Association ("***AAA***") pursuant to its Commercial Arbitration Rules; (2) United States Arbitration & Mediation ("***USA&M***") pursuant to its Consolidated Arbitration Rules; or (3) JAMS pursuant to its Streamlined Arbitration Rules & Procedures (exclusive in each case of any rules regarding class action proceedings which are prohibited hereunder). The party first filing an arbitration claim shall designate which arbitration forum and rules are to be applied for all Disputes between the parties. The arbitration rules are currently found at www.adr.org for AAA, at www.usam-midwest.com for USA&M and at jamsadr.com for JAMS. AAA claims may be filed in any AAA office. Claims filed with USA&M shall be filed in its Midwest office located at 720 Olive Street, Suite 2020, St. Louis, Missouri 63101. Claims filed with JAMS shall be filed in its Chicago office located at 71 S. Wacker Drive, Suite 3090, Chicago, Illinois 60606. If neither AAA, USA&M nor JAMS is willing or able to serve as the arbitration administrator, and the parties are unable to agree upon a substitute arbitrator, then the arbitrator will be selected by the court. 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 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 that the arbitration be conducted by a panel of three (3) arbitrators instead of one arbitrator; provided that the requesting party shall pay all costs and arbitrator compensation associated with the additional two arbitrators. 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 herein. If such inconsistency exists, the arbitration provisions contained herein shall control and supersede such rules. The arbitrator(s) shall follow the terms of this Agreement and the applicable law, including without limitation, 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 to the arbitrator(s) by 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 their 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. If a party shall demonstrate through affidavits, financial statements and tax returns produced to the arbitrator and other parties that it does not have the ability to pay the fees and arbitrator compensation that party may request that the fees and arbitrator compensation be waived and assessed after a decision is rendered. The site of all

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oral arbitration hearings will be 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 hereunder, they shall engage in a limited exchange of information and documents as follows: (1) no later than sixty (60) days after the filing and service of a claim for arbitration, the parties in contested cases 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 witnesses; (2) upon request, a party shall provide a summary of the proposed testimony of any witness within fourteen (14) days of the request; (3) 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; (4) no later than twenty-one (21) days prior to the 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; a copy of all documents and a detailed description of any property to be introduced at the hearing; (5) in the event a party designates any expert witness(es), the following will apply: (i) all information and documents relied upon by the expert witness(es) will be delivered to the opposing party; (ii) the opposing party will be permitted to depose the expert witness(es); (iii) the opposing party will be permitted to designate rebuttal expert witness(es); and (iv) the arbitration hearing will be continued to the earliest possible date that enables the foregoing limited discovery to be accomplished; (6) 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 attorney's fees, the parties agree that the following additional discovery and motion practice shall be permitted: (i) up to three depositions per side with each lasting no more than seven hours; and (ii) dispositive motions including, but not limited to, motions for summary judgment; the arbitrator shall be authorized to rule on any dispositive motion filed. 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 LENDER AGREE THAT BY ENTERING INTO THIS AGREEMENT, BOAT CLUB OPERATOR AND LENDER 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 hereinbelow 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 herein. 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 attorney's fees, interest charges and expenses as set forth in this Agreement, in accordance with applicable law, including, but not limited to, the following events: (a) either party brings any other action for judicial relief with respect to any Dispute, the arbitrator(s) shall have the authority to award all costs and expenses (including attorneys' fees) incurred to stay or dismiss such action and remove or refer such Dispute to arbitration; (b) either party brings or appeals an action to vacate or modify an arbitration award, the arbitrator(s) shall have the authority to award all costs and expenses(including attorneys' fees) incurred in defending such action; and/or (c) either party sues the other party or institutes any arbitration claim or counterclaim against the other party, the arbitrator(s) shall have

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the authority to award all costs and expenses (including attorneys' fees) incurred in the course of defending such action or proceeding.

(i) Limitations. Any arbitration proceeding must be instituted: (a) with respect to any Dispute for the collection of any debt owed by either party to the other, within two (2) years after the date the last payment by or on behalf of the payor was received and applied in respect of such debt by the payee; and (b) with respect to any other 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 an arbitration proceeding within such 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 limitations provision will be suspended temporarily as of the date any of the following events occur and will not resume until the date following the date either party 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.

(j) Survival After Termination. The agreement to arbitrate will survive the termination of this Agreement.

(k) **CLASS ACTION WAIVER. BOAT CLUB OPERATOR AND LENDER AGREE THAT BY ENTERING INTO THIS AGREEMENT, BOAT CLUB OPERATOR AND LENDER 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 LENDER 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 Lender 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 Lender 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.**

24. 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 hereunder.

25. 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 LENDER WAIVE ANY RIGHT TO A JURY TRIAL IN ANY SUCH PROCEEDING.

26. 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 (1) 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 (2) in the United States District Court for the Northern District of Illinois, or (3) 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 (1) where the Boat Club Operator is located, (2) where the Collateral is located, (3) the United States District Court for the Northern District of Illinois, or (4) the Circuit Court of Cook County, Illinois.

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(c) All Other Disputes - Any other legal proceeding with respect to any Dispute that is not otherwise subject to arbitration, either 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.

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.

Dated: _____.

BOAT CLUB OPERATOR: [_____]

By: _____
Print Name: _____
Title: _____
(Attach copy of Driver's License or State ID card for parties signing in their individual capacity)

BRUNSWICK ACCEPTANCE COMPANY, LLC

By: _____
Print Name: _____
Title: _____

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BRUNSWICK
Acceptance Company

Date

FBC Operator Name
Attn: Contact Name
Street Address
City, State ZIP

RE: Wholesale Marine Products -- Freedom Boat Club Finance Program

Dear Contact Name :

This Program Letter outlines the terms of the Freedom Boat Club financing program for the undersigned operator ("Operator", "you", "your") with Brunswick Acceptance Company, LLC ("BAC"). This Program Letter supplements your financing agreements with BAC (collectively, the "Agreement") and only applies to approvals and advances issued by BAC for the purchase of inventory designated as Freedom Boat Club units. Capitalized terms used herein and not otherwise defined herein shall have those meanings given to them in the Agreement.

The following sets forth the terms of your Freedom Boat Club financing program:

A. Rates and Terms

Effective Program Dates: Date, provided BAC has received any and all documents required by it duly executed.

Subsidy Period: As determined by manufacturer program.

Eligible Products: Inventory designated as Freedom Boat Club units and manufactured or distributed by (i) Brunswick Corporation or its affiliates approved by BAC or (ii) other vendors approved by BAC or approved pursuant to agreements among BAC and parties related to BAC.

Operator Rate: The effective interest rate charged to Operator for any calendar month shall be the Reference Rate (as defined below) for such month, plus **4.5000%**. The Operator Rate will be recalculated monthly based on changes in the Reference Rate.

Reference Rate: For any calendar month, the greater of (a) the Benchmark (as defined below) and (b) 0.25%. As used herein, "Benchmark" means, initially, the sum of (i) 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 (as defined below) of such month, plus (ii) 0.1145%, rounded to such number of decimal places as selected by BAC; provided, that if a Benchmark Transition Event (as defined below) occurs with respect to the Index Rate (as defined below), then "Benchmark", as used herein, shall mean the applicable Benchmark Replacement (as defined below) to the extent that such Benchmark Replacement has become effective pursuant to the following paragraph. A "Business Day" is any day the Federal Reserve Bank of

Sample

Chicago is open for the transaction of business; provided, however, that, for purposes of determining the Benchmark, if a Business Day falls on a day that the Index Rate (as defined below) used to calculate the 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.

If a Benchmark Transition Event (as defined below) occurs with respect to the index rate used to calculate the then-current Benchmark (such index rate, the "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 without limitation, (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 Dealer (such date(s), the "Benchmark Replacement Date", and such notice, the "Benchmark Replacement Notice") without any amendment or other modification to any of Dealer's financing agreements with BAC or this Program Letter and without any further action or consent of Dealer 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 all then existing obligations owing by Dealer to BAC and/or to all obligations of Dealer to BAC 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 the then-current 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 Dealer of BAC's intention to adopt a new benchmark to replace such Index Rate; or (c) entrance by BAC and Dealer into a written agreement to adopt a new benchmark to replace such Index Rate. Any determination, decision or election that may be made by BAC pursuant to this paragraph, including, without limitation, 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

Sample

on Dealer and will be made in BAC's sole discretion and without Dealer consent, except as expressly required pursuant to the provisions of the Dealer's financing agreements with BAC or this Program Letter.

Floorplan Advance Rate: Generally 100% of invoice, including freight, if reflected on the invoice and otherwise subject to BAC discretion. May vary by manufacturer program.

Due-in-Full and Floorplan Curtailments: The due-in-full payment date with respect to the financing program described above will be due-in-full on the 1080th day following the date of the original invoice, and such invoices will also be subject to a monthly curtailment payment of (x) two percent (2%) of the original invoice amount financed by BAC due and payable beginning once any unit of Eligible Product becomes aged thirty (30) days from the date of the applicable original invoice and each month thereafter until the applicable invoice becomes aged 360 days; and (y) one and one-half percent (1.5%) of the original invoice amount financed by BAC due and payable every month thereafter until due-in-full. The "due-in-full" payment date with respect to any Eligible Product is the maturity date of the loan. The loan with respect to such item of Eligible Product must be completely repaid by that date.

The failure to remit curtailment payments or the "due-in-full payment" when due shall be considered a default under the terms of your financing agreements with BAC and any such late payments shall be subject to interest at the "Default Rate" as specified in the Agreement until paid in full.

B. <u>General Terms</u>

Collateral Inspection Fee: If BAC determines that your collateral must be inspected on a more frequent basis than originally planned by BAC, then you will pay a fee of $75 per inspection for each location at which you maintain inventory financed by BAC.

COMS Non-Usage Fee: Operator will pay $50 per month for any month during which Operator does not use the BAC COMS on-line payment system for Operator's primary method of payment to BAC.

NSF Fee: You will pay a fee of $25 (or such lesser amount if required by law) for each check or other item that is returned unpaid.

Transaction Statement: Notwithstanding the foregoing terms in this Program Letter, Operator acknowledges and agrees that the rates of interest and repayment terms applicable to each advance made to or on behalf of Operator by BAC shall be governed by the Transaction Statement(s) sent by BAC to Operator related to the advance, until such advance is paid in full to BAC.

Please note that the fees and charges referenced above such as the Collateral Inspection Fee and NSF Fee are not intended to be BAC's sole remedies for those events, and if you fail to meet any of your obligations under your agreements with BAC, BAC specifically reserves all other rights and remedies legally available to it.

<u>Customer Online Management System (COMS):</u>
BAC encourages use of COMS, our internet payment/floorplan system. BAC will assist you in the installation of the system and provide you with training, free of charge. Internet payments are processed

Sample

via an ACH transaction and at no cost to you. You can view the system's capabilities at: https://sec.financeaccess.com/coms/BACLogin.action

Confidentiality Agreement:
The rates and terms set forth in this Program Letter are for your benefit and shall be held in the strictest confidence by you (and your affiliates and subsidiaries). You will take all reasonable precautions to assure the confidentiality of this information is not released to any third party.

Thank you for the opportunity to finance your inventory needs. If the above terms are acceptable, please forward a signed copy of this Program Letter to the attention of Mark Holbrook at mark.holbrook@wellsfargo.com. If you wish to discuss any elements of the program, please feel free to contact Mark Holbrook at 480 292 8121.

BRUNSWICK ACCEPTANCE COMPANY, LLC

By: _____
Brian Tocco
Vice President – Sales
Marine Group

ACCEPTANCE:

The terms as stated in this Program Letter are agreed to and accepted as of this _____ day of _____, _____.

OPERATOR NAME

By: _____
Print Name: _____
Title: _____

Date: _____

Sample

EXHIBIT H-10

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.

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-11

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 _____ _____.

2. **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.

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 Addendum.

4. **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	_____
By: _____	By: _____
Print Name: _____	Print Name: _____
: _____Title___	Title: _____

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:

State	Effective Date
California	July 6, 2023
Hawaii	June 21, 2023
Illinois	June 16, 2023
Indiana	April 29, 2023
Maryland	June 20, 2023
Michigan	April 30, 2023
Minnesota	July 5, 2023
New York	Pending
North Dakota	June 21, 2023
Rhode Island	June 16, 2023
Virginia	Pending
Washington	June 22, 2023
Wisconsin	June 13, 2023

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, 897 E. Venice Ave., Venice, FL 34285, 941-451-8756
Louis Chemi, 897 E. Venice Ave., Venice, FL 34285, 941-451-8756
Kevin VanHorn, 897 E. Venice Ave., Venice, FL 34285, 941-451-8756
Jim Blaze, 897 E. Venice Ave., Venice, FL 34285, 941-451-8756
Tim Martin, 897 E. Venice Ave., Venice, FL 34285, 570-974-6090

Issuance Date: April 25, 2023, as amended June 8, 2023

I received a disclosure document issued April 25, 2023, as amended June 8, 2023, 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

Date	Signature	Printed Name
Date	Signature	Printed Name

Rev. 122417

PLEASE RETAIN THIS COPY FOR YOUR RECORDS.

RECEIPT
(Our Copy)

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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.

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Exhibit I	State Effective Dates
Exhibit J	Receipt

Date	Signature	Printed Name
Date	Signature	Printed Name

Rev. 122417

Please sign this copy of the receipt, date your signature, and return it to Freedom Franchise Systems, LLC, 897 E. Venice Avenue, Venice, FL 34285-7038.